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MID-TERM REVIEWS OF COUNTRY AND REGIONAL PROGRAMMES

Mid-term review of the country programme for Algeria

Report of the Administrator

SUMMARY

The present report is submitted in accordance with Governing Council decision 89/11 of 23 February 1989, requesting the Administrator to report on a representative selection of mid-term reviews of country programmes.

The mid-term review took place during the period February-March 1989, at a time when Algeria was embarking on a major programme of structural reforms directed towards the achievement of an improved socio-economic performance of the economy, including employment creation, a better balance between agricultural and industrial production, improved effectiveness of the public and private sectors, and the promotion of non-hydrocarbon exports.

The mid-term review concluded that the five areas of concentration for technical co-operation activities identified in the fifth country programme (DP/CP/ALG/5) continued to be relevant to the achievement of the country's development priorities. However, the new orientation adopted by the Government will provide additional criteria for the identification and formulation of technical co-operation projects in each area of concentration. For example, in the agricultural sector, higher priority will need to be given to technical support for farmers within a decentralized institutional framework. Similarly, in the industrial and social sectors, higher priority will be given to increasing the productivity of installed capacities, so as to improve the capital-output ratio.

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Given that the approved budgets amounted only to $10.629 million at the time of the mid-term review, representing 30.7 per cent of the estimated resources available for the fifth country programme, the review focused on the identification of priority projects, in each area of concentration, consistent with the country's development objectives and capable of being processed and implemented during the second half of the cycle.

REPORT ON THE MID-TERM REVIEW OF THE COUNTRY PROGRAMME FOR ALGERIA

INTRODUCTION

1. Following the approval of the country programme, Algeria has embarked on a major programme of economic and structural reforms. A thorough analysis of the status of co-operation between Algeria and the United Nations Development Programme (UNDP) mid-way through the programming cycle was therefore considered important to improve the relevance of multilateral co-operation to this new socio-economic context. The review process was carefully planned and carried out in full co-operation between the Ministry of Foreign Affairs and UNDP with the participation of those United Nations agencies represented in Algeria, including the International Labour Organisation (ILO), the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA) and the World Food Programme (WFP).

2. Preparatory activities for the mid-term review covered several months from June 1988 to February 1989 and involved the following steps:

(a) An informal internal review in June 1988, including a joint review of a number of reports from Algerian consultants on the main sectors of the economy and the approved or planned reform programmes, discussions on the impact of the reforms on the country programme and its current areas of concentration, and the elaboration of a work plan leading to the formal mid-term review;

(b) A report along the lines of the internal review to serve as a background document for the further preparatory discussions with the Ministry of Foreign Affairs;

(c) A series of sectoral review meetings with the government representatives concerned under the chairmanship of the Directorate of International Economic and Cultural Relations of the Ministry of Foreign Affairs to decide on the priorities and the orientations of the programme for the second half of the cycle.

3. During the period 18 to 22 February 1989, a thematic meeting was held for each of the five areas of concentration covered by the fifth country programme. A final meeting was held on 20 March 1989 to review the content of the mid-term review report.

I. FINANCIAL DATA

A. Resources

4. The fifth country programme for Algeria covers the period 1987-1991. Total resources available for the programming period were estimated at $34.602 million at the time of the mid-term review, compared with $33.783 million when the fifth country programme was approved, in June 1987. Indicative planning figure (IPF) resources have increased since the beginning of the cycle, from $13.813 million to

$14.632 million as a result of overall increased resources availability within UNDP. Project cost-sharing contributions are expected to be consistent with initial estimates and to reach approximately $20 million. The following table makes the position clear.

	Millions of dollars
Total resources taken into account for programming at the time of country programme (CP) approval	33 783
Resources taken into account for programming at time of mid-term review:	34 602
IPF allocation	11 000
Carry-over from previous cycle	2 813
Government project cost-sharing	19 970
75 per cent supplementary IPF allocation	819
Net change in resources (increase)	819

B. Use of resources

5. As shown in the table below, at the time of the mid-term review, current approved budgets amounted to $10.629 million, representing 30.7 per cent of the resources expected to become available for programming purposes. Expenditures since the beginning of the cycle amounted to $8.771 million, of which $4.969 million were expended in 1987 and $3.802 million in 1988. The review concluded that significant efforts will need to be made to process the various project proposals ($23.653 million) in order to generate a level of project budgets consistent with the achievement of the annual expenditure target and minimize carry-over to the sixth cycle.

	Start of country programme (1987)	Time of mid-term review (1989)
	Millions of dollars	
Committed resources	4 305	10 629
Project proposals	25 257	23 563
Unprogrammed reserve	4 221	410
Total use of resources	33 783	34 602

II. PROGRAMME/PROJECT DATA

6. The sectors, programmes and projects included in the fifth country programme (DP/CP/ALG/5) are listed in the two annexes to this report. Annex I presents those included at the start of that programme (1987) and annex II gives those contained in the fifth country programme at the time of the mid-term review (1988-1989).

Progress in programme implementation (activities and results)

7. The fifth country programme comprises five major areas of concentration based on priority national development objectives.

1. Agriculture and food

8. There were two groups of projects relating to agriculture. The first was meant to select and integrate the various means of production necessary in six different ecological areas in order to develop and extend animal and plant production techniques. The second concerned the agricultural environment and the development of integration between agriculture and related industries.

9. Both suffered important delays, partly due to the major reorganization of the agricultural sector affecting the central and also the local levels. In addition, the integrating approach adopted for the second group suffered from structural and institutional rigidities which prevented the development of certain activities - seeds and cereals, for instance.

2. Integration and innovation

10. The objective of this part of the programme was to promote better linkages between the economic and social sectors. Integration is to be achieved in part through the project on industrial integration and development, which is aimed at organizing horizontal activities such as the development of information, industrial consulting and support to the diversification of industry. Innovation implies an encouragement of advanced technologies such as engineering, computer sciences and expert-systems. Specific actions in favour of foreign trade are also addressed under this part of the programme.

11. This part of the programme was implemented satisfactorily during the first half of the cycle. The reforms in the Algerian economic system introduced during this period stress the need to give increased priority to areas such as enterprises management, encouragement of the private sector and reorganization of the central administration.

READEX FICHE

3. Development of existing potential

12. This part of the programme was conceived as a multisectoral effort to consolidate Algerian economic achievements. The economic reforms have generated increased needs as regards improved use of human resources, particularly in the field of management training. Measures to improve the use of industrial capacities will be developed during the second part of this section of the programme. Other sectors, such as culture, tourism, natural resources and the environment, have encountered some delays.

4. Planning: strengthening of national forecasting capacities and planning tools

13. This part of the programme had two complementary aspects. The first was global strategic planning, linked to a project called strategic planning studies, aimed at developing in Algeria the use of new and modern methods of forecasting and strategic planning, particularly through the training of pluri-disciplinary teams. Progress has been slow, but the organization of an international seminar on this subject is expected to help increase the effectiveness of this area of concentration. The second aspect is sectoral forecasting devoted to projects centred on specific fields of activity. Implementation of this aspect can be considered satisfactory.

5. Development of social services

14. The purpose of this part of the programme was to develop information on the most vulnerable population groups in order to measure their evolution and organize their protection. The proposed creation of a "social map" which could evaluate the importance of these groups and monitor their evolution was to become a major project; this was delayed, however, during the first part of the programming cycle. During the mid-term review it was decided to postpone its implementation and concentrate on more limited but immediate actions for two specific groups: the blind and the deaf-mutes.

15. Finally, it was made clear that the authorities intended in future to have non-governmental organizations (NGOs) play an increased role, relaying at the local level the actions of the Government in the social sector.

III. PROGRAMME ANALYSIS

A. The country programme as planned and as implemented

16. The mid-term review was held in a drastically changed social and economic environment that resulted from a number of major reforms of the Algerian economic system since the inception of the country programme. Among these reforms were: restructuring of public enterprises in favour of increased managerial responsibilities; reform of the planning system to ensure greater flexibility and

decentralization; reform of the banking system to improve access to credit and the conditions for investment; promotion of the private sector through diversification and decentralization; new agricultural organization; and reform of the state monopoly on foreign trade to reduce external administrative pressures on enterprises.

17. The new economic context provided a frame of reference against which the ongoing and planned projects were reviewed. The mid-term exercise has been geared towards fine-tuning technical co-operation activities of the fifth country programme so as to fit them into the new national context.

18. At the time of the review, only $10.629 million out of $34.602 million, i.e., approximately one third of the total resources, was firmly committed. This reflected mainly the slowdown of programme implementation due to the far-reaching economic restructuring of the country. Against the uncommitted resources which amounted to $23.973 million, the mid-term review concluded that priority should be given to the processing of project proposals amounting to $23.563 million, thus leaving an unprogrammed reserve of $0.410 million. The programme configuration by area of concentration is presented in the table below. Special monitoring and follow-up efforts by the Government, the executing agencies and UNDP are expected to improve programme delivery.

Area of concentration	Country programme figure	Actual figure at mid-term review	Consolidated estimates based on mid-term review
		(Percentages)	
Food and agriculture	25.57	27.75	25.49
Integration/innovation	21.65	27.04	26.78
Development of existing potential	29.28	36.69	37.58
Planning	7.83	4.80	7.86
Social services	3.36	2.54	2.29
Reserve	12.49	1.18	-

B. The relevance of the country programme

19. While reaffirming the relevance of the five areas of concentration covered by the fifth country programme, the mid-term review concluded that the following horizontal dimensions of the country's socio-economic development should be given greater attention during the identification, formulation, implementation and evaluation of priority projects in each area of concentration: employment creation, promotion of international trade, support to socio-economic reforms and environmental protection.

1. Employment

20. Employment is certainly the Government's major concern in all sectors. Strong demographic pressures combined with increased concern for cost-effective production are likely to generate rising imbalances in the job market, especially among young people. This issue has been addressed by a number of UNDP/ILO projects, including a diagnosis of the training system, a study of employment services and proposals for the improvement of labour market statistics. In the agricultural sector, a youth employment plan is currently under preparation.

21. Efforts will be intensified during the second half of the cycle with particular focus on: supporting the modernization of national employment services; studying the artisanal sector; backing up the short-term job creation programme initiated by the Government; and developing the potential of small- and medium-size enterprises and industries. Furthermore, the exchange of experience among Maghreb countries is to be fostered through the organization of technical seminars on employment. These could be held on such themes as the informal sector or labour legislation.

2. Promotion of foreign trade and development of non-oil exports

22. Lower prices for oil and oil products have produced a shortage of foreign exchange and made it more difficult for the country to maintain an appropriate level of investment. Under the prevailing constraints, it therefore becomes crucial to increase exports. Positive results in this field could be stimulated by the greater opening of markets within the Arab Maghreb Union and by a campaign to improve the quality of national production. Within the framework of the country programme, a programme has been initiated to train entrepreneurs in foreign trade matters and to provide advice on possible efforts to rationalize imports.

23. Projects identified within the framework of the mid-term review consultation process cover priority areas such as: creation of computerized information systems on new technologies and foreign markets; implementation of an action plan for a reorientation of exports; promotion of import substitution sectors such as local manufacturing of spare parts; promotion of export services through partnerships with foreign companies; promotion of the private sector and development of partnerships with foreign small- and medium-sized enterprises and industries; and at the regional level, establishment of linkages between Maghreb institutions specialized in foreign trade.

3. Support to economic reforms

24. The global and multi-faceted character of the ongoing reforms requires in-depth studies of certain sectors to support decision-making. The following areas have been identified: establishment of a mechanism to monitor small- and medium-size enterprises; and measurement of the impact of economic reforms on public enterprises.

4. Environmental protection and forecasting of natural disasters

25. Environmental protection has also become a national priority. While a number of projects addressing this concern have been initiated (for example, flood forecasting), these efforts will need to be strengthened.

IV. EVALUATION

26. The mid-term review concluded that there was no need to undertake a country programme evaluation given the continued relevance of the five areas of concentration covered by the fifth country programme. However, priority will be given to ongoing and post-completion project evaluations in order to assess project effectiveness and identify, as appropriate, action-oriented measures needed to speed up programme delivery.

V. RECOMMENDATIONS OF MID-TERM REVIEW

27. The mid-term review highlighted the necessity to work towards continuing improvement of the quality of programme implementation. The review stressed that the level of development reached in Algeria requires an innovative conception of international technical assistance, which must turn to counselling, methodology, transfer of advanced technologies, etc. This approach will require that continued attention and priority be given to the following aspects of programme design and implementation:

(a) An overwhelming and almost exclusive need for short-term but very high-level expertise (as opposed to that of a resident expert). This invalidates most standard costs used at present by executing agencies. Greater flexibility should be applied in the recruitment and remuneration of consultants in order to allow the United Nations system to attract, whenever necessary, individuals of top international level;

(b) An innovative and creative role for executing agencies, which would enable them to meet increased demand for high technology and high-level experts. They should evolve towards a "consulting cabinet" role, providing rapidly upon request specific information on a given concern, and passing on the ensuing development to sub-contracts with highly skilled enterprises;

(c) The promotion of technical co-operation among developing countries. The country programme must promote relations with developing countries in such fields as information, technology, know-how, production sectors and services;

(d) The increased role of NGOs, which must be encouraged, especially in the social and agricultural sectors, to relay the Government's efforts and activities;

(e) The private sector. Taking into account the limited resources available, the modalities of assistance to this sector should be examined most carefully as soon as possible with all parties concerned.

28. In addition, the following criteria must be applied in selecting projects to be implemented during the rest of the cycle: the necessity and usefulness of the proposed project for both the particular sector and the country's economy as a whole; the long-term cost-effectiveness of the project; the stage of maturity reached by the project proposal to determine whether it can be implemented in a timely manner or should be postponed to the next cycle; and the capacity of the recipient institution to mobilize cost-sharing resources.

29. Special attention must be given to the development of Maghreb co-operation, be it institutionally or through exchanges of information, experience, technical meetings, etc. Government execution will also be used on a more systematic basis whenever national capacities are considered appropriate.

Annex I

SECTORS, PROGRAMMES AND PROJECTS INCLUDED IN THE FIFTH COUNTRY PROGRAMME (DP/CP/ALG/5) a/

1. Agriculture and food

Amélioration de la productivité des systèmes de production

Développement des systèmes de production végétale (new)

Développement de l'élevage ovin et bovin (new)

Développement de la petite et moyenne hydraulique agricole (new)

Vulgarisation et formation agricoles (ALG/83/002) (ongoing)

Etude de la filière engrais/semences (new)

Contrôle de la qualité des denrées alimentaires (ALG/86/001) (new)

2. Integration and innovation

Programme intégré de machinisme agricole (ALG/84/015) (ongoing)

Aménagement intégré du territoire (new)

Organisation de l'information industrielle (new)

Organisation de la consultation industrielle (ALG/86/009) (ongoing)

Création de petites et moyennes entreprises/petites et moyennes industries (new)

Développement de l'industrie pharmaceutique (new)

Développement de l'ingéniérie (new)

Développement de l'industrie des biens d'équipement (new)

Restructuration et modernisation de l'organisation de la propriété industrielle (new)

Innovation informatique dans l'administration publique et dans les collectivités locales (ALG/86/012) (ongoing)

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a/ The programmes and projects are given in French as they appear in the Compendium of Ongoing Projects (UNDP/Series A/No. 19, of 31 December 1988).

Nouvelles techniques des télécommunications (ALG/81/023) (ongoing)

Promotion du commerce extérieur (ALG/86/015) (ongoing)

3. Development of existing potential

(a) Valorisation des ressources humaines

Formation à la gestion

Audit formation en gestion (new)

Formation en gestion/planification (new)

Formation de formateurs et de consultants en organisation (new)

Formation professionnelle

Etude diagnostic formation professionnelle/emploi (new)

Formation professionnelle en entreprise et à l'apprentissage (new)

Formation en vue de l'amélioration de la gestion des entreprises décentralisées (new)

Transfert de connaissances éducatives

Renforcement de la postgraduation polytechnique (new)

Renforcement de l'enseignement en planification et en statistiques (new)

(b) Valorisation des capacités industrielles

Formation à la maintenance (new)

Inventaire exhaustif du parc machines (financed from the operational reserve)

Recyclage des déchets et de remanufacturing des équipements (financed from the operational reserve)

(c) Valorisation des ressources naturelles

Recherches minières (new)

Ressources géothermiques (new)

(d) Valorisation de l'environnement

Protection de l'environnement (new)

Système de prévisions hydrologiques (new)

(e) Valorisation du patrimoine culturel

Sauvegarde des sites et monuments historiques (new)

4. Development of social services

Carte sociale (new)

Formations des assistantes sociales (new)

Activités prescolaires (new)

Protection des handicapés (new)

Sécurité sociale (ALG/83/003) (ongoing)

Sports et loisirs (new)

Surveillance épidémiologique et actions sanitaires dans la zone de la route transsaharienne (financed from the operational reserve)

Hygiéne et sécurité dans le travail (financed from the operational reserve)

5. Forecasting and planning roots

Amélioration des mécanismes du suivi de l'emploi (new)

Amélioration des statistiques agricoles (ALG/82/019) (ongoing)

6. Unprogrammed reserve

Annex II

SECTORS, PROGRAMMES AND SELECTED PROJECTS AS AT THE MID-TERM REVIEW (MARCH 1989) a/

1. Agriculture and food

ALG/77/028	Intégration céréales et élevage (completed)
ALG/80/008	Développement intégré des zones oléicoles (completed)
ALG/81/010	Intensification de la protection des végétaux (ongoing)
ALG/83/002	Formation et vulgarisation agricole (ongoing)
ALG/83/013	Protection phytosanitaire des forêts (ongoing)
ALG/87/022	Maturation du programme agro-alimentaire (ongoing)
ALG/87/002	Appui au développement des exploitations agricoles dans les zones d'intensification céréalières (new/under formulation)
ALG/87/003	Elevage bovin laitier dans la Wilaya d'Ech Chelif (new)
ALG/87/005	Développement de la production de semences dans la région Ouest de l'Algérie (new/under formulation)
ALG/87/043	Distribution des engrais (new/under formulation)
ALG/87/042	Fertilisation (new/under formulation)
ALG/87/004	Développement de la vulgarisation (new/under formulation)
ALG/88/001	Développement et sauvegarde de l'agriculture saharienne (new/under formulation)
ALG/88/023	Restructuration de la recherche dans le secteur agricole (new/under formulation)
ALG/89/012	Laboratoire vétérinaire (new/under formulation)

2. Integration and innovation

ALG/86/021	Etude de pré-investissement et promotion des projets industriels (EDIL) (ongoing)

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a/ The programmes and projects are given in French as they appear in the Compendium of Ongoing Projects (UNDP/Series A/No. 19, of 31 December 1988).

ALG/86/002 Entreprise nationale d'ingénierie mécanique (ENEM) (ongoing)

ALG/87/016 Mobilisation de l'ingénierie nationale basée sur la méthode ACT (ongoing)

ALG/86/009 Développement des capacités de l'entreprise nationale d'organisation et d'information en matière de consultation industrielle - ENORI I (completed) - ENORI II (ongoing)

ALG/86/007 Etude sur la production d'articles de conditionnement en verre et plastique (completed)

ALG/88/003 Bourse nationale de sous-traitance (new/under formulation)

3. Development of existing potential

(a) Employment

ALG/86/028 Diagnostic systems formation professionnelle/emploi (completed)

ALG/87/015 Suivi de l'emploi (new/under formulation)

ALG/88/013 Appui à l'Institut national d'études et des recherches sur la mainténance (INMA) (phase II) (new/under formulation)

(b) Support to economic reforms

ALG/86/035 Formation cadres dirigeants (ongoing)

ALG/86/003 Institut supérieur de gestion et planification (ISGP) (ongoing)

ALG/86/005 Formation post-graduation (ENP) (completed)

ALG/88/016 Appui commissariat à l'organisation des entreprises publiques (COREP) (new/under formulation)

ALG/87/038 Cour des comptes (new/under formulation)

ALG/88/010 Information commerciale (new/under formulation)

ALG/87/029 Contrôle qualité produits industriels (new/under formulation)

ALG/88/009 Formation technique exportation (new/under formulation)

ALG/88/015 Formation bancaire (new/under formulation)

ALG/89/010 Formation audit (new/under formulation)

ALG/88/007 Formation aux opérations et techniques d'importation (ongoing)

ALG/88/008 Fonction exportation industrie lourde (ongoing)

(c) Natural resources

ALG/87/013 Recherche minière (ongoing)

ALG/85/008 Formation hydraulique (ongoing)

(d) Environmental protection

ALG/86/037 Prévisions des crues (ongoing)

ALG/89/015 Appui au Centre National de Recherches Appliquées en Génie Parasismique (new/under formulation)

ALG/86/004 Monuments historiques (new/under formulation)

4. Forecasting and planning tools

ALG/82/019 Planification et statistiques agricoles (ongoing)

ALG/86/036 Etudes prospectives (ongoing)

ALG/88/005 Assistance au CNIDE (ongoing)

5. Social services

ALG/86/010 Industries pharmaceutiques (ongoing)

ALG/87/025 Etablissement d'une usine pilote pour la production de solutés intravéneuses (ongoing)

ALG/87/024 Personnes handicapées (new/under formulation)

6. Unprogrammed reserve

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MID-TERM REVIEWS OF COUNTRY AND REGIONAL PROGRAMMES

Mid-term review of the fourth country programme for Bangladesh

Report of the Administrator

SUMMARY

The present report is submitted in accordance with Governing Council decision 89/11 of 23 February 1989, requesting the Administrator to report on a representative selection of mid-term reviews of country programmes.

I. INTRODUCTION

1. The mid-term review of the fourth country programme for Bangladesh established that in spite of the disastrous floods of 1987 and 1988, satisfactory performance in terms of implementation and product had been achieved. While the original themes of the country programme remained relevant, further attention needed to be given to the issues of non-governmental organizations (NGOs), women, the private sector and the environment. It was also noted in the review that attention should be paid to the following aspects of project design and implementation: (a) the designation of national project directors for each project and the provision of training in project design and management; (b) provision of adequate counterpart staff and funds from the revenue budget; (c) careful review of the qualifications and experience of candidates for expatriate expert posts; and (d) acceleration of the approval of pipeline projects.

2. The mid-term review report contains a total of 124 recommendations, a number of which are of direct relevance to the formulation of the next country programme, demonstrating that one of the chief benefits of the mid-term review in Bangladesh was that it provided a sound basis for forward planning. Prominent among these is the recommendation that to increase impact and streamline management, efforts should be made to reduce the number and increase the size of projects. Furthermore, as the mid-term review found the themes of the fourth country progamme too broad to provide a practical enough basis for programming, it was recommended that policy themes should be used to cover the whole country programme, while sector classifications should be used for project programming. As regards the execution of projects, the modality of government execution should continue to be pursued. Support to the investment programmes of the Asian Development Bank (AsDB) and the World Bank should also continue to focus on policy initiatives, feasibility and institutional support rather than on design and supervision.

3. It was also noted in the mid-term review that the findings and recommendations of the study for evaluation and improvement of technical assistance in Bangladesh (SEITAB), to be conducted during 1990, would be a valuable supplement to the completed studies on project and commodity aid and would enable the Government and donors to review several aspects of concern to them in the use of technical assistance. Support for a study on UNDP and the role of technical assistance in the 1990s was also expected to have a direct impact on the nature and scope of the fifth country programme.

Summary of the fourth country programme (1986-1991)

4. Planning for the fourth country programme began in mid-1984 based on the third five-year plan, then in draft form. The third five-year plan could not be finalized, however, before November 1985, and so it was decided to extend the third country programme from June 1985 to June 1986 so that the fourth country programme could be formulated on the basis of strategies adopted in the third five-year plan and be based also on the results of various sectoral studies. The formulation of the fourth country programme gathered momentum from mid-1985 and was approved by the Governing Council in June 1986.

5. In the fourth country programme the support of the United Nations Development Programme (UNDP) to the Government's overall objective of poverty alleviation was to be pursued through five main themes, namely: (a) higher productivity in agriculture (36 per cent); (b) consolidation and expansion of the industrial base (28 per cent); (c) development of human resources (16 per cent); (d) improved physical infrastructure (14 per cent); and (e) enhanced management of public policy and the economy (6 per cent). Particular attention was also to be given to women's participation in these programmes. Another aspect that was emphasized was the importance of the link to the investment programmes of the development banks, and of strengthening existing institutions rather than creating new ones. It was not envisaged that the fourth country programme would be used as a frame of reference, particularly as a technical assistance needs assessment was planned during the implementation of this programme and is to be completed by the end of 1990.

II. FINANCIAL DATA

6. The total amount of resources available for programming during the fourth country programme period was $128.8 million. Of this, $10.1 million was earmarked as an unprogrammed reserve and the rest was programmed against specific projects, of which 57 were to continue from the third country programme and 108 were new projects. At the time of the mid-term review, in early 1989, indicative planning figure (IPF) resources had increased by some $14 million and a further increase of $4.6 million was expected. Overall resources had therefore increased to $164 million at the time of the mid-term review and a projection of $171 million has been made for the full cycle (see annex I).

III. PROJECT DATA AND PROGRAMME IMPLEMENTATION

7. A comparison of planned projects with actual project approvals, and of new projects not foreseen in the original fourth country programme is contained in annex II.

Progress in programme implementation

8. Currently, there are 107 ongoing projects - 90 IPF and 17 funded by the Special Measures Fund/or the Least Developed Countries (SMF) - and 67 pipeline projects - 59 IPF and 8 SMF - in the UNDP programme. The number of projects foreseen in the fourth country programmes was to be a total of 164 - 57 carry-over and 107 new projects. However, given the increased availability of resources which has became apparent in the course of the last two years, the number of projects has grown to 174. It is also significant that many more projects (90) than anticipated (57) have continued from the third to the fourth country programme, a reflection of continuous programming and the difficulty of programming over five years when dealing with individual project cycles. It is of interest to note that the average project size is now $1 million, compared to $750,000 in the fourth country programme. For all previous country programme periods taken together, the average project size was $450,000.

9. In respect of fourth country programme implementation, as shown in annex I, the sectoral/thematic proportions established at the start of the programme have been respected, except for a decline in the industry sector (from 28 per cent to 20 per cent) and an increase in the infrastructure sector (from 14 to 26 per cent), which were shifts made in response to the Government's emerging needs. Since mid-1986 some 40 evaluations have been conducted. Over 200 tripartite reviews have provided a sound mechanism for project-level monitoring and decision-making. The incidence of floods in two successsive years, however, made adherence to predetermined schedules difficult.

10. Given the large volume of aid which flows into Bangladesh and the elaborate planning documents and review procedures, it was not envisaged that the fourth country programme would serve as a frame of reference for United Nations system funding organizations or for other donor programmes. However, the first two years of the fourth country programme confirmed the importance of continuous co-ordination and co-operation between the Government and donors and that these procedures are well developed and effective. UNDP continues to be particularly involved and active in taking the lead in disaster preparedness, human resource development, the environment, drug abuse control and technical assistance.

IV. PROGRAMME ANALYSIS

1. Preparation of the mid-term review

11. Preliminary work on the mid-term review started in November 1988. Two committees - an advisory committee of six members and a working committee of eight - were set up, composed of members from different divisions of the Ministry of Planning, and also from the Ministry of Finance. The member of the Planning Commission accepted the responsibility of overseeing the mid-term review exercise on behalf of the Government.

12. During a number of preparatory meetings held between the two committees and UNDP to decide upon procedural steps and the scope of the mid-term review, it was decided that the approach of the review would be based on working papers. Accordingly, 22 papers were prepared, organized in four categories, programme papers, sector papers, thematic papers and issues papers. The responsibilities for writing these working papers were assigned to the members of the working committee supported by UNDP staff.

13. Once produced, the papers went through a multi-stage review and revision. The first drafts were reviewed by UNDP in a series of in-house seminars in which the United Nations agencies with offices in the country participated. Revised drafts were then reviewed with the respective sectoral ministries (for the sectoral papers) and the working committee (for the programme, thematic and issues papers). The final drafts of sectoral papers were presented at a number of formal review meetings at the level of the Planning Commission which were attended by high-level representatives of the respective ministries, members of the working committee, the United Nations executing agencies and UNDP. The meetings produced extensive comments and recommendations as well as editorial comments. The draft papers

relating to the programme, themes and issues were reviewed by the advisory committee. All the papers were once again revised and distributed to the line ministries, the Planning Commission and the United Nations agencies (and also to AsDB) in preparation for the formal mid-term review meetings.

14. United Nations agency heads participating in the Joint Consultative Group on Policy (JCGP) - United Nations Children's Fund (UNICEF), United Nations Population Fund (UNFPA) and World Food Programme (WFP) - met formally and informally to discuss issues of joint programming. A contribution was made to this process also by a mission of the International Fund for Agricultural Development (IFAD) which came to Dhaka in February 1989.

15. The mid-term review wrap-up meetings were scheduled for 30 March and 1 April 1989. Participation was at the expected high level, with 61 representatives from the Government, 11 representatives from the agencies - namely, the World Bank, AsDB, the Food and Agriculture Organization of the United Nations (FAO), UNFPA, the International Labour Organisation (ILO), WFP, UNICEF, the World Health Organization (WHO) and the International Civil Aviation Organization (ICAO) - and 11 staff members from UNDP. However, owing to preoccupations connected with the preparations for the annual donor consultations, the time available each day was curtailed to some extent. A third meeting was therefore held on 6 April 1989 to complete the review. Volume I of the mid-term review report contains an account of the proceedings at the mid-term review meetings and the recommendations which emerged from them. Volume II contains the 22 working papers prepared between November 1988 and March 1989, which have been re-edited to take account of the recommendations of the mid-term review meeting. Both volumes are being circulated to United Nations agencies and to interested donors and non-governmental organizations (NGOs).

2. Major findings of the mid-term review

16. The overall assessment in terms of implementation and product is of satisfactory performance so far in the fourth country programme. The five themes of the country programme remain very relevant. The mid-term review concluded, however, that the country programme themes were too broad and did not provide a practical enough basis for programming. It was agreed that in future, the concept of themes should be used to explain the major thrusts of the country programme which have an influence on all sectors, while the more common sector classifications would be used for programming purposes. In this respect and given the pressure on UNDP resources, there is a need for a clearer definition of the criteria for project selection and for focusing on fewer sectors and projects.

17. The mid-term review was also instrumental in drawing attention to and moving forward on a process where programme-level considerations are now beginning to dominate UNDP assistance in national priority areas, such as the agriculture sector and flood policy. The review recognized, however, that much remains to be done within the context of the next country programme.

18. Component analysis of the fourth country programme revealed that the largest share of expenditure and allocation has been for personnel and sub-contracts, averaging about 30 per cent and 43 per cent respectively during the period 1987-1991. The allocation for training rose from approximately 8 per cent during the period 1982-1986 to 11 per cent in 1987-1991, and the equipment allocation declined from 22 per cent during 1982-1986 to approximately 12 per cent in 1987-1991. The distribution of IPF expenditure and allocation by component for the period 1972-1991 is shown in annex III.

19. The mid-term review revealed that inadequate emphasis had been placed on the issues of NGOs, women, private sector development and the environment and that the science and technology sector had also, by and large, remained outside the main focus of the country programme. The effect of disasters and disaster-preparedness on overall development planning and programmes also needed more analysis and emphasis.

20. It was noted with some concern that the rate of implementation of the programme, which had been above target in the initial period of the fourth country programme (with expenditures during the first two years at $30 million per annum, which was $5 million above the average of resources available), had now slowed down, in terms both of the approval rate and of pipeline development. Several reasons for this were identified. The severe floods of 1987 and 1988 have had a disruptive effect, and the pipeline of investment projects of the two banks, to which about one third of the current UNDP programme is linked, has also slowed down. An underlying factor that the review highlighted was that, given the growth in the size of the programme and the greater diversification of activities the capacity of both the External Resources Division - UNDP's counterpart in the Government - and UNDP was currently stretched to the limit. Considerable delays have occurred in finalizing documentation for project approval and review purposes. To strengthen programming capacity, an umbrella project will support the Ministry of Planning. Quarterly meetings on the pipeline have been instituted following the 1987 annual review. This approach, which has now been formalized, was endorsed by the mid-term review.

21. The questions of project design and implementation were also discussed at length in the mid-term review. It was concluded that particular attention must be be paid to the following aspects of project design: (a) institutional arrangements; (b) quality of counterpart personnel; (c) designation of national project directors and proper enunciation of their responsibilities; (d) provision of adequate counterpart funds from the revenue budget (in order also to ensure sustainability of results after the end of the project); and (e) project management in general.

22. While government execution was not foreseen as a major modality for implementing the fourth country programme projects, based on the annual review of 1987 a number of projects have been started with support from the United Nations system. The mid-term review recommended that government execution should be accelerated and consolidated in 1989-1990, and that, based on this experience, a project execution policy should be determined for the fifth country programme.

23. The mid-term review concluded that an evaluation of the full programme was not necessary at this juncture. However, it was agreed that when the fifth country programme was being formulated, an assessment of performance would be undertaken and evaluations of specific issues would be made. The results of these evaluations will be used in the design of UNDP technical co-operation in the fifth country programme: the topics to be selected include efficacy of fellowships, possibilities and conditions for increased provision of funds to meet local costs, and the effectiveness of sub-contracts in project implementation.

24. The findings of the UNDP project for the study for evaluation and improvement of technical assistance in Bangladesh, to be conducted during 1990, are expected to be a valuable supplement to the studies on project aid and commodity aid. The mid-term review also endorsed the UNDP initiative of supporting the commission on "Bangladesh in the year 2000" for a wide-ranging review of development aspirations and targets. The study on UNDP and the role of technical assistance in Bangladesh in the 1990s is expected to have an impact on the formulation of the fifth country programme.

3. Proposed adjustments to the fourth country programme

25. No major changes are envisaged in the fourth country programme as a result of the mid-term review which might warrant its rewriting and approval in the Governing Council. The following minor adjustments, however, have been agreed upon to shape implementation of the balance of the programme and to guide preparation of the next programme.

(a) Sectoral issues

26. (i) Accelerate the development of new pipeline projects in the agriculture and water resources sectors, based in particular on the successful agricultural sector review and flood policy study;

(ii) Respond to the continued emphasis on private sector development by using the industry master plan project to develop a new strategy for assistance to the sector;

(iii) Within the human resources development theme, give renewed attention to primary and secondary education and education management, and to health, particularly water supply and sanitation;

(iv) Infrastructure: reduce involvement in the transport and communications sector and, within that reduced scope, pay greater attention to inland waterways;

(v) In economic management and public policy, focus through the management development programme (MDP) on local-level planning and reforms in the financial sector, and continue to strengthen central planning and management capacities.

(b) Thematic issues

(i) Incorporate environmental aspects more effectively in the programme and, in particular, questions of disaster management;

(ii) Further special efforts should be made to involve women in development projects and programmes, not merely as beneficiaries but also as participants.

(c) Programme issues

(i) The recent introduction of the government execution modality should be expanded as soon as feasible, and at the same time more training and responsibility should be given to national project directors;

(ii) Sources of expertise should be further diversified, including greater use of national expertise and use of recently initiated activities based on Transfer of Knowledge through Expatriate Nationals (TOKTEN) and short-term advisory services and the United Nations Volunteers;

(iii) The future programme of the United Nations Capital Development Fund (UNCDF) should be more geographically concentrated and further integrated with other United Nations programmes;

(iv) The concerted efforts in 1988 to increase participation in the inter-country programme (ICP) should continue, with particular emphasis on hosting more ICP projects in Bangladesh;

(v) Support to investment programmes of AsDB and the World Bank should remain at about one third of the programme, focusing on policy, feasibility and institutional support rather than on design and supervision. Furthermore, the possibility of a revolving fund for IPF investment feasibility studies should be explored. The fund would be replenished through investment credits.

(d) Programme management issues

(i) The institutional arrangements between the Government and UNDP for the management of the programme should be strengthened, with particular emphasis on improving project design, expediting and tackling approval actions and identifying or solving implementation bottle-necks;

(ii) To improve implementation, every effort should be made to assign adequate counterparts and for UNDP to finance more of the local costs, while an evaluation of input components should be undertaken as part of the preparations for the fifth country programme;

(iii) Approvals and pipeline development should be accelerated to achieve an average of $30 million a year for expenditures in the country programme period; a realistic assessment of the pipeline should be made every quarter;

(iv) More formal joint programming may be attempted in the fifth country programme after further evaluation of the present arrangements, which appear to be quite effective;

(v) Efforts should be made to refine further the criteria for the selection of projects, as a preparation for the fifth country programme exercise.

Annex I

FINANCIAL DATA

(1986-1991)

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

	Millions of dollars	
Total resources taken into account for programming at the time of country programme approval		128.776
Resources taken into account for programming at the time of mid-term review (total)		164.340
IPF allocations	139.50	
Government project cost-sharing	3.36	
Third-party cost-sharing	0.30	
Other sources (SMF, SPR, MDP, UNROB, UNIFEM, UNFSTD, Trust Funds)	21.18 a/	
Net change in resources (increase)		35.564

Use of resources	Start of country programme, July 1986 (1986)	Mid-term review, June 1989 (1988)
	Millions of dollars	
Approved projects	34.954	138.255 b/
Project proposals	83.738	32.856 c/
Unprogrammed reserve	10.084	Nil
Total use of resources	128.776	171.111

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a/ SMF-7.8 million; SPR-2.59 million; MDP-2 million; UNROB-7 million; UNIFEM-0.2 million; UNFSTD-0.1 million; TP-1.4 million.

b/ Signed budgets: 127.777 million (IPF): 5.400 million (SMF); 5.078 million (Other).

c/ Pipeline.

II. DISTRIBUTION OF RESOURCES BY OBJECTIVE

Country programme objectives	Country programme allocations		Commitments at mid-term review, June 1989		Revised Allocation as result of mid-term review	
	Percentages and millions of dollars					
Higher productivity in agriculture	36	42 963	36	49 907	37	62 747
Consolidation/expansion of industry sector	28	33 775	20	27 086	19	32 831
Human resources development	16	19 570	11	15 323	12	20 091
Improved physical infrastructure	14	16 007	26	35 640	23	40 319
Improved public policy economic management	6	6 377	7	10 299	9	15 123
TOTAL	100	118 692	100	138 255	100	171 111
Unprogrammed reserve	10.084 million					

Annex II

FOURTH COUNTRY PROGRAMME: LIST OF PLANNED PROJECTS

Thousands of dollars

Project Number	Project Title	Original country programme input	Present project total	Present status of project
Agriculture/Rural Development				
BGD/78/010	Forestry Products	0	776	Completed
BGD/79/017	Forestry Sector	530	4 495	Completed
BGD/79/033	Dairy Co-operatives	921	2 819	Ongoing
BGD/79/034	Agricultural Extension	1 298	5 426	Ongoing
BGD/80/002	Fertilizer Demonstration	319	1 939	Ongoing
BGD/80/003	Plant Protection	0	403	Completed
BGD/80/025	Marine Fisheries Survey	591	3 408	Ongoing
BGD/81/012	Small Farmers Development	243	537	Ongoing
BDG/81/020	Forest Development Training Centre	191	1 778	Completed
BGD/81/022	Mango Development	1 005	1 552	Ongoing
BGD/81/023	Soil Resources Institute	0	927	Ongoing
BGD/81/028	Community Forestry	469	1 451	Completed
BGD/81/033	National Fertilizer Training Institute	1 500	0	Dropped
BGD/81/034	Fisheries Advisory Services	183	2 145	Ongoing
BGD/81/035	Agriculture Devt Advisor	0	934	Completed
BGD/82/003	Rural Poultry Development	690	2 500	Ongoing
BGD/82/005	Jute Research Institute	0	10	Completed
BGD/83/007	Second Rural Development	612	1 189	Ongoing
BGD/83/010	Second Agricultural Research	1 002	2 653	Ongoing
BGD/83/042	Krishi Bank Third Credit	0	236	Ongoing
BGD/84/013	Second Agric Research (Training)	262	617	Ongoing
BGD/84/030	Second Livestock Devt.	2 517	2 869	Ongoing
BGD/84/046	Tree Planting by Mosque Society	79	131	Completed
BGD/84/054	Upazila Afforestation	1 300	2 100	Pipeline
BGD/84/056	Sundarbans	2 323	3 000	Pipeline

Project Number	Project Title	Original country programme input	Present project total	Present status of project
Agriculture/Rural Development (continued)				
BGD/84/068	Cotton Improvement	561	972	Ongoing
BGD/85/009	Institution Bldg in Fisheries Sector	0	343	Ongoing
BGD/85/011	Forestry Professional Educ	1 662	2 210	Ongoing
BGD/85/028	Academy for Rural Devt	450	687	Pipeline
BGD/85/040	Strengthening D-G of Food	0	1 200	Pipeline
BGD/85/063	Fish Insp and Quality Ctrl	0	91	Completed
BGD/85/074	Management Training	475	0	Dropped
BGD/85/085	Forestry Sector, II	1 271	2 462	Ongoing
BGD/85/090	Food-for-Work Programme	0	2 259	Pipeline
BGD/85/120	Improved Shrimp Culture Technology	2 300	3 285	Ongoing
BGD/85/124	Central Duck Breeding Farm	750	987	Ongoing
BGD/85/125	Buffalo Breeding	0	1 578	Pipeline
BGD/85/141	Improved Coconut Production	550	260	Ongoing
BGD/85/146	Storage of Food Grains	0	800	Pipeline
BGD/85/158	National Fishermen's Cooperative	300	0	Dropped
BGD/85/170	Training Institute, Madhupur	500	0	Dropped
BGD/85/172	Jute, Kenaf & Mesta	1 800	0	Dropped
BGD/85/174	Manpower Devt & Trg in BFIDC	200	0	Dropped
BGD/85/181	Improved Land Records	90	950	Pipeline
BGD/85/182	National Land Use Policy	100	1 000	Pipeline
BGD/85/231	Co-operative Dairy Extension	0	2 105	Ongoing
BGD/85/234	Conservation & Mngt of Inland Fisheries	75	0	Dropped
BGD/86/042	Livestock Development, III	0	350	Pipeline
BGD/86/064	Support to Rural Devt Academy, Bogra	0	364	Pipeline
BGD/87/006	Rural Poultry Improvement, III	0	2 400	Pipeline
BGD/87/022	Marine Fisheries Survey, II	0	1 500	Pipeline
BGD/87/023	Agriculture Sector Review	0	1 426	Ongoing
BGD/87/025	Horticulture Research Developemnt	0	2 750	Pipeline
BGD/87/045	Improved Mangt of DOF	0	2 586	Pipeline
BGD/87/048	Assistance to Bandarban District	0	250	Pipeline

Project Number	Title	Original country programme input	Present project total	Present status of project
Agriculture/Rural Development (continued)				
BGD/88/019	Assistance to TARD	0	450	Pipeline
BGD/88/020	Tree Planting by Mosque Society, Ph II	0	365	Pipeline
BGD/88/025	Forestry Action Plan	0	450	Pipeline
BGD/88/031	Improved Cereal Production	0	2 400	Pipeline
BGD/88/061	Increased Rural Potato Production	0	650	Pipeline
BGD/88/065	Fisheries, III	0	2 400	Pipeline
BGD/89/008	Acquaculture Devt, III	1 200	100	Pipeline
	Subtotal	28 319	83 525	
Industries				
BGD/78/002	Fertilizer Plants	0	2 036	Completed
BGD/79/007	Cottage Industries Devt	0	2 450	Completed
BGD/79/036	Machine Tools Factory	0	2 456	Completed
BGD/80/014	Investment in Industries	0	879	Completed
BGD/80/022	Export Processing Zone	0	545	Ongoing
BGD/81/032	Plastics Technology, III	0	577	Ongoing
BGD/82/006	Textile Industry Devt	0	1 735	Completed
BGD/83/037	Insulator & Sanitarywares	0	382	Ongoing
BGD/83/041	Glass Factory	150	0	Dropped
BGD/83/043	Indigenous Bldg Materials	0	627	Ongoing
BGD/84/015	Promotion of Small Industries	1 200	0	Dropped
BGD/84/018	Chittagong Dry Dock	1 150	1 596	Ongoing
BGD/84/028	Leather Industry	2 000	0	Dropped
BGD/84/037	Bangladesh Diesel Plant	1 400	2 303	Ongoing
BGD/84/045	Consumer Market Demand	0	379	Completed
BGD/84/051	Private Textile Mills	174	484	Completed
BGD/84/062	Handloom Sector Study	0	266	Ongoing
BGD/84/015	Industrial Workshop	0	359	Ongoing
BGD/85/020	Investment Promotion Devt Company	200	0	Dropped
BGD/85/042	Pharmaceutical Industries	400	0	Dropped
BGD/85/051	Labour Productivity Centre	50	233	Ongoing

Project Number	Title	Original country programme input	Present project total	Present status of project
Industries (continued)				
BGD/85/068	Bangladesh Agri Devt Corpn	70	0	Dropped
BGD/85/115	Industrial Property Administration	200	190	Pipeline
BGD/85/119	Master Plan for Tourism Devt	177	294	Ongoing
BGD/85/135	Tourism Training & Devt	914	1 720	Ongoing
BGD/85/137	Rice Bran Oil	66	166	Ongoing
BGD/85/191	Technological Research on Jute	1 000	700	Pipeline
BGD/85/192	Basic Electronic Components	500	0	Dropped
BGD/85/193	Quality Control	350	0	Dropped
BGD/85/195	Survey of Imported Chemicals	380	0	Dropped
BGD/85/196	Soda Ash Plant	300	0	Dropped
BGD/85/199	Feed Mill Cattle & Poultry	250	0	Dropped
BGD/85/200	Bangladesh Yeast Plan	100	0	Dropped
BGD/85/225	Follow-up Investor's Forum, 1987	0	231	Ongoing
BGD/85/237	Industrial Policy Analysis	250	0	Dropped
BGD/85/242	Textile Industry Schools	200	0	Dropped
BGD/86/021	Cement Clinker Plant, Ph II	0	254	Pipeline
BGD/86/070	Cottage Industries Devt, Ph II	0	2 100	Ongoing
BGD/87/005	Chemical Industry Sector	0	600	Pipeline
BGD/87/034	Industrial Master Plan	0	300	Pipeline
BGD/87/043	Investment Promotion, Paris	0	30	Pipeline
BGD/87/049	Non-Mettalic Raw Materials	0	572	Pipeline
BGD/88/009	Foreign Investment Promotion to BEPZA	0	560	Pipeline
BGD/89/006	Engineering Sector Study	0	250	Pipeline
	Subtotal	11 481	25 274	
Oil, gas and natural resources				
BGD/85/016	Bangladesh Petroleum Institute, Ph II	0	1 500	Pipeline
BGD/85/022	2nd Gas - Drilling Mangt	3 700	4 300	Ongoing
BGD/85/023	2nd Gas - Construction Superv	5 600	6 600	Ongoing

Project Number	Title	Original country programme input	Present project total	Present status of project
Oil, gas and natural resources (continued)				
BGD/85/138	Limestone Exploration in Baghalibazar	300	350	Ongoing
BGD/85/204	Madhyapara Hardrock Project	300	14	Ongoing
BGD/86/035	3rd Natural Gas	0	230	Pipeline
BGD/86/074	Jamalganj Coal Field	0	3 774	Pipeline
BGD/88/039	Petroleum Tech Devt	0	1 400	Pipeline
BGD/80/012	Energy Study & Planning Cell	364	605	Ongoing
BGD/85/046	Manpower Devt Schemes of BPDB	1 850	150	Completed
BGD/85/054	Power Loss Reduction	1 600	2 225	Ongoing
BGD/85/058	2nd East-West Interconnector	0	1 300	Pipeline
BGD/85/078	Large Thermal Power Project	1 450	1 431	Ongoing
BGD/85/201	Power Generation	800	0	Dropped
BGD/85/202	Review of Power Network Master Plan	77	0	Dropped
BGD/85/203	Rural Energy Projects	500	0	Dropped
BGD/XX/XXX	Manpower Devt - Power Board	0	0	Dropped
	Subtotal	16 541	23 879	
Communications				
BGD/80/007	Postal Academy	0	289	Ongoing
BGD/82/054	Telecom Trg Centre, II	0	1 038	Completed
BGD/86/004	Telecom Staff College	1 490	1 771	Ongoing
Physical plan, water supply/housing				
BGD/81/004	Housing Development	450	2 506	Ongoing
BGD/81/005	National Physical Planning	500	2 067	Completed
BGD/84/036	Upazila Water Supply & Sanitation	400	0	Dropped
BGD/85/004	Low-Cost Sanitation	269	649	Ongoing
BGD/85/077	Water Supply Sectoral Study	190	0	Dropped
BGD/85/104	Third District Towns Water Supply	1 250	0	Dropped
BGD/85/150	Master Plan, Dhaka Metropolitan Area	770	0	Dropped
BGD/85/243	Master Plan Chittagong Metropolitan	400	0	Dropped
BGD/86/043	Urban Management	750	3 707	Ongoing

Project Number	Title	Original country programme input	Present project total	Present status of project
Physical plan, water supply/housing (continued)				
BGD/86/044	Area Development & Shelter	750	861	Ongoing
BGD/87/018	Strengthening of Pourashavas	0	1 080	Pipeline
BGD/88/022	Environment Mangt & Protection	0	97	Ongoing
BGD/88/052	Dhaka & Chittagong Development Plan	0	1 125	Ongoing
BGD/89/009	Secondary Towns Infrastructure	0	500	Pipeline
Transport				
BGD/79/029	Marine Academy	263	4 325	Ongoing
BGD/79/037	Training of Marine Officers	0	679	Completed
BGD/80/023	Comm Div, Civil Aviation Authority	110	1 828	Completed
BGD/81/002	Dept of Civil Aviation II	0	2 577	Completed
BGD/81/003	Civil Aviation Tr Centre	0	2 076	Completed
BGD/83/001	Biman Airlines HQs	1 000	2 875	Ongoing
BGD/83/002	Biman Ground Training Centre	2 800	4 765	Ongoing
BGD/83/005	Hydrographic Services	505	1 967	Ongoing
BGD/83/022	Seamen's Training Centre	500	0	Dropped
BGD/84/016	Container Transportation	175	628	Ongoing
BGD/84/017	Railway Management	910	970	Ongoing
BGD/84/022	Road Rehab Project	1 175	514	Completed
BGD/84/047	Road Rehab & Maintenance	375	1 477	Completed
BGD/85/049	Dept of Civil Aviation III	384	3 145	Ongoing
BGD/85/093	Jamuna Bridge Appraisal, Phase-I	600	1 099	Completed
BGD/85/094	Jamuna Bridge Feasibility Study II	1 350	8 280	Ongoing
BGD/85/206	Master Plan Chittagong Airport	400	0	Dropped
BGD/86/013	Railway Transport of Containers	0	310	Completed
BGD/86/040	Jamuna Bridge Panel of Experts, Phase II	0	1 290	Ongoing
BGD/86/066	Hangar Project	0	390	Pipeline
BGD/87/001	Roads & Highways Institutional Devt	0	1 200	Pipeline
BGD/87/012	Support to Jamuna Bridge TA Project	0	600	Pipeline
BGD/87/024	Nautical & Marine Exam. Survey & Adm. II	0	273	Ongoing
BGD/87/029	Road Master Plan	0	2 060	Pipeline

Project Number	Title	Original country programme input	Present project total	Present status of project
Transport (continued)				
BGD/87/033	Com. Div. Civil Aviation Authority	0	545	Ongoing
BGD/87/011	Integrated Transport Plan - Dhaka	0	1 000	Ongoing
BGD/87/027	Road Improvement, III	0	1 200	Pipeline
BGD/87/007	Corporate Plan Railways	0	500	Pipeline
	Subtotal	17 766	62 263	
Education and religious affairs				
BGD/81/007	Cultural Heritage	550	0	Completed
BGD/82/044	Education Information and Statistics	100	0	Dropped
BGD/82/047	Textile Technology College	0	62	Completed
BGD/82/048	Planning, M/o Education	0	463	Completed
BGD/84/001	Technical Education	4 134	5 960	Ongoing
BGD/84/002	Secondary Science Education	1 582	1 989	Ongoing
BGD/85/002	National Literacy Programme	0	1 425	Pipeline
BGD/85/018	Universal Primary Education	1 184	2 111	Ongoing
BGD/85/088	Nat Inst of Educ Admin. & Reform	225	290	Pipeline
BGD/85/162	College of Textile Technology	1 800	1 336	Pipeline
BGD/85/238	Mass Communication Training	200	0	Dropped
BGD/86/060	Soc. Science Educ II	0	250	Pipeline
BGD/87/015	Training of Technologists, Ph II	0	780	Ongoing
BGD/87/019	Mass Education/Local NGOs	0	530	Ongoing
BGD/88/033	Mass Literacy	0	300	Pipeline
BGD/88/040	UPE, II Incl. Vocational Training	0	900	Pipeline
Health				
BGD/80/026	Centre for Medical Education	457	720	Ongoing
BGD/81/050	Training of Senior Nurses	478	1 678	Ongoing
BGD/82/022	Kumudini Hospital	178	360	Ongoing
BGD/84/049	Malaria Control Programme	360	356	Ongoing
BGD/85/005	2nd District Towns Water	0	520	Completed

Project Number	Title	Original country programme input	Present project total	Present status of project
Health (continued)				
BGD/85/101	Epidemiological Surveillance	400	380	Pipeline
BGD/86/067	Kumudini Pharmaceutical Plant	0	300	Pipeline
BGD/86/071	Primary Health Care	0	375	Pipeline
BGD/88/034	Health Services, II	0	250	Pipeline
Labour and manpower				
BGD/83/011	Employer's Association	0	247	Completed
BGD/83/034	Youth Training & Employment	0	338	Ongoing
BGD/85/128	Upazila Employment Resource Centres	300	0	Dropped
BGD/85/151	Manpower Employment Programme, Ph II	390	990	Ongoing
BGD/85/152	National Vocational Trg System	1 500	1 550	Pipeline
BGD/85/153	Trg of Garments Workers	300	913	Pipeline
BGD/85/198	Manpower Devt Training	300	0	Dropped
BGD/85/220	Shwanirvar Management Training	390	553	Ongoing
BGD/86/008	Employers' Association, Ph II	0	796	Ongoing
BGD/88/041	Poverty Alleviation & Rural-Employment	0	900	Pipeline
Science and technology				
BGD/85/031	Remote sensing	925	926	Pipeline
BGD/85/053	Meteorological Applications	1 521	576	Completed
BGD/85/139	Science/Technology Mission	100	0	Dropped
BGD/85/144	Standards & Testing Institution	550	750	Pipeline
BGD/85/235	Museum of Science & Technology	190	100	Pipeline
Social welfare, women and youth				
BGD/84/026	Rural Youth in Devt Activities	100	74	Completed
BGD/84/027	UNV Multi-sector Assistance	241	339	Ongoing
BGD/84/031	Study of Devt Projects	0	43	Ongoing
BGD/85/095	Women's Training Centre II	400	456	Ongoing

Project Number	Title	Original country programme input	Present project total	Present status of project
Social welfare, women and youth (continued)				
BGD/85/136	Vulnerable Group Development	0	850	Pipeline
BGD/85/214	Non-Formal Education for Women	1 000	1 000	Pipeline
BGD/85/239	Voc Trg for Unemployed Youth	400	400	Pipeline
BGD/86/009	Co-ordination of Women Projects	0	522	Ongoing
Sports and culture				
BGD/85/219	Cultural Heritage, II	0	491	Ongoing
	Subtotal	20 255	34 139	
Public administration				
BGD/76/002	UNCDF Appraisal Mission	0	154	Ongoing
BGD/78/016	Tax and Customs Administration	34	755	Ongoing
BGD/81/068	Programme Support	318	1 121	Ongoing
BGD/82/011	Transnational Corportion	0	150	Ongoing
BGD/82/016	Export Promotion Bureau	0	1 277	Completed
BGD/82/024	Community Statistics	242	370	Ongoing
BGD/82/051	Review & Portfolio Audit	0	1 208	Completed
BGD/83/020	T O K T E N	40	300	Ongoing
BGD/83/029	Third Five-Year Plan	0	534	Completed
BGD/84/007	Employment Monitoring Unit of GED	542	1 500	Pipeline
BGD/84/023	Planning Academy	0	0	Dropped
BGD/85/007	Comm Banks' Agro-Industries	0	650	Pipeline
BGD/85/013	Devt Finance Institutions, Ph II	650	2 518	Ongoing
BGD/85/014	Chartered Accountants, Ph II	128	135	Ongoing
BGD/85/055	Project Aid Utilization	85	202	Ongoing
BGD/85/057	Strengthening Insurance Education	349	356	Pipeline
BGD/85/069	ERD Documentation Centre	100	19	Ongoing
BGD/85/091	National Institute for Local Govt	0	242	Ongoing
BGD/85/097	Devt of Capital Market	0	250	Pipeline
BGD/85/116	MIS, Ministry of Finance	350	938	Ongoing
BGD/85/117	Implem Monit & Eval Div (IMED)	847	653	Ongoing

Project Number	Title	Original country programme input	Present project total	Present status of project
Public administration (continued)				
BGD/85/118	Assistance to ERD, M/o Finance Phase II	616	1 191	Ongoing
BGD/85/140	Integrated Statistical Services	1 410	0	Dropped
BGD/85/164	Export Promotion Bureau, Ph II	1 200	3 000	Pipeline
BGD/85/215	Perspective Plan	150	540	Pipeline
BGD/85/216	Impact Study of Country Programming	75	0	Dropped
BGD/85/227	Commodity Aid Utilization	50	140	Completed
BGD/85/228	Comprehensive Assessment of TA	30	0	Dropped
BGD/85/233	CP Projects Formulation, II	0	167	Ongoing
BGD/85/236	Programme Logistics Support	0	128	Pipeline
BGD/86/011	Customs & Excise Admin, Ph II	0	1 227	Ongoing
BGD/86/032	Opr/Maint Study, M/o Finance	0	323	Pipeline
BGD/86/056	Dhaka Chamber of Commerce	0	200	Pipeline
BGD/86/068	Local Govt Engg Bureau	0	270	Pipeline
BGD/88/010	Planning Academy, Ph II	0	230	Ongoing
BGD/88/015	Micro Computer Overview	0	900	Pipeline
BGD/88/016	Cost Mangt Accounting Institute	0	570	Pipeline
BGD/88/018	SEITAB	0	100	Pipeline
BGD/88/023	Computerization - IMED	0	510	Pipeline
BGD/88/024	National Accounts	0	300	Pipeline
BGD/88/053	Programme Logistics Support	0	900	Pipeline
BGD/88/058	Debt Management Capacity	0	500	Pipeline
BGD/89/004	Devt Mngt Support to M/o Planning	0	500	Pipeline
	Subtotal	7 216	25 028	
	TOTAL	118 126	303 226	

Annex III

DISTRIBUTION OF IPF EXPENDITURE AND ALLOCATIONS BY COMPONENT, 1972-91

By amount, thousands of dollars

	Personnel	Subcon	Training	Equipment	Misc	Total
1972-76	4 155	1 313	900	2 769	310	9 447
1977-81	32 740	9 350	7 391	17 605	2 029	69 115
1982-86	50 623	29 753	9 392	27 086	4 784	121 638
1987-91	30 386	43 057	11 347	11 717	3 312	99 819
Total	117 904	83 473	29 030	59 177	10 435	300 019

By share, percentages

	Personnel	Subcon	Training	Equipment	Misc	Total
1972-76	43.98	13.90	9.53	29.31	3.28	100
1977-81	47.37	13.53	10.69	25.47	2.94	100
1982-86	41.62	24.46	7.72	22.27	3.93	100
1987-91	30.43	43.14	11.37	11.74	3.32	100
Total	39.30	27.82	9.68	19.72	3.48	100

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MID-TERM REVIEWS OF COUNTRY AND REGIONAL PROGRAMMES

Mid-term review of the country programme for Bhutan

Report of the Administrator

SUMMARY

The present report is submitted in accordance with Governing Council decision 89/11 of 23 February 1989, requesting the Administrator to report on a representative selection of mid-term reviews of country programmes.

MID-TERM REVIEW OF THE COUNTRY PROGRAMME FOR BHUTAN

INTRODUCTION

1. In accordance with standing instructions and in particular in compliance with Governing Council decision 88/17, a mid-term review of the fourth country programme for Bhutan was carried out from 14 to 16 June 1989.

2. The Planning Commission, as the government co-ordinating agency for external assistance, and United Nations Development Programme co-chaired the review. The Royal Civil Service Commission (RCSC), which is the focal point in the Government for human resources development, was represented at all but the closing session of the review and other government bodies participated in those sessions which were relevant to them. The review was attended by representatives of the Food and Agriculture Organization of the United Nations (FAO) and the World Health Organization (WHO).

3. The review consisted of four components. First, a financial overview of the country programme as of 31 May 1989, to which all review participants were invited. Second, a sector-wise project-by-project review with emphasis on additional financial and training requirements, if any. (Although the mid-term review is not required for the funds which are not taken into account in the indicative planning figure (IPF), advantage was taken of the opportunity to review projects and proposals funded from other sources, such as the Special Measures Fund for the Least Developed Countries (SMF/LDC), the United Nations Capital Development Fund (UNCDF), add-on funds, the United Nations Population Fund (UNFPA) and the United Nations Development Fund for Women (UNIFEM). Third, based on the foregoing project review, unmet training requirements related to ongoing and hard pipeline projects were reviewed collectively between RCSC and UNDP with a view to ensuring their inclusion in the ongoing umbrella human resources project (BHU/87/004). Finally, the Planning Commission and UNDP reviewed the progress of the fourth country programme to date in the light of the previous discussions and of a background paper prepared by UNDP.

4. The report which follows presents the findings and decisions of the mid-term review.

I. FINANCIAL DATA

5. The fourth country programme for Bhutan covers the six-year period 1986-1991. The country programme foresaw IPF resources of $25 million for that period, of which the provisional IPF for the fourth cycle (1987-1991) accounted for $20.1 million. As can be seen from list A in annex I, the actual IPF resources currently available amount to $30.2 million, or some $5.2 million more than originally anticipated.

6. During the period from January 1986 to May 1989, 16 new IPF projects were approved with budgets totalling $18.9 million for the period 1986-1991

($18.7 million for the fourth cycle). As will be seen from list B in annex I, there is a slight over-commitment ($33,000) of available IPF resources.

7. Expenditures against approved projects during the period of review amount to $16.8 million and the unexpended balance of funds committed to projects is $13.4 million, as can be seen from lists C and D in annex I.

8. The expenditure of Central Project Development Facility funds during the period under review has been $18,000.

II. PROGRAMME/PROJECT DATA

A. The country programme as planned and as implemented

9. As can be seen from the information provided in lists A and B of annex II, the implementation of Bhutan's fourth country programme has, with only a few exceptions, been faithful to the profile indicated in the country programme (DP/CP/BHU/4) approved by the Governing Council in 1985. Of 48 specific projects (or project areas) mentioned in the approved document, 39 have been taken up or are under active formulation at the present stage of the country programme. Of the nine projects not taken up by UNDP, three were taken up by other donors, i.e., agricultural research and training by Swiss bilateral assistance; the Royal Institute of Management by the Asian Development Bank (AsDB); and support to radio broadcasting by India, the United Nations Educational, Scientific and Cultural Organization and the Danish Development Agency (DANIDA).

10. On the other hand, five IPF projects which have been taken up and a sixth which is under formulation do not appear specifically in the country programme. In each case, however, these projects relate to declared government goals referred to in the approved document.

11. Not only have the majority of envisaged projects been taken up during the first half of the country programme period, but the sectoral distribution which was shown in the approved document has been closely followed. This is noteworthy in view of the fact that the country programme was formulated over four years ago, in early 1985, and that about one third of the estimated resources available was shown as reserve. An increase in transport and communications from 8.0 to 16.0 per cent reflects the emergence of telecommunications and civil aviation as major priorities. The reduction in the share of education from 11.0 to 6.0 per cent reflects the delay in the formulation of further assistance projects for technical and vocational training.

12. It may be concluded therefore that deviations from the original goals of the country programme have been negligible and that the specific project targets have been or are being met with few exceptions.

B. Progress in programme implementation (activities and results)

13. As can be seen from the preceding data and information, the programme is being implemented on target, in terms of commitments and delivery. IPF resources are fully committed and extensions plus new hard pipeline projects are in hand to ensure the degree of over-programming needed to guarantee full expenditure of the IPF funds available. Indeed, according to current projections, if all current firm proposals are approved, resort will have to be made to borrowing from the fifth cycle IPF funds. Efforts are under way to avoid such a situation by delaying implementation where feasible and by actively seeking out co-financing partners.

14. The principal constraint on Bhutan's socio-economic development is shortage of manpower, particularly in the trained and skilled categories. Since the inception of UNDP's assistance to Bhutan in 1972, human resources development (HRD) has constituted the single largest thrust of the country programmes. In the current programme, allocations for HRD (mainly under a multi-agency umbrella project) account for some 35 per cent of IPF resources available and a further 15 per cent is committed to a United Nations Volunteers (UNV) project - Bhutan has more serving United Nations volunteers than any other country. Thus, 50 per cent of IPF resources are specifically aimed at the alleviation of acute shortages of trained manpower. Both the human resources development and the United Nations Volunteers projects are rated highly by the Royal Government for the contributions they are making respectively to the building up of a trained/skilled manpower base, and to filling urgently needed posts pending the availability of qualified Bhutanese.

15. Other significant projects relate to the improvement and expansion of the country's infrastructure, the strengthening of its administration and the inventorying and rational exploitation of its natural resources.

16. Bhutan's topography is among the most rugged in the world. Until the last 20 years, communication with the outside world and also between different regions of the country was infrequent and difficult. This situation has improved substantially in recent years but much remains to be done. A government-executed mechanized road construction project (linked to UNCDF and AsDB projects) is introducing modern, capital-intensive road building and maintenance techniques appropriate to Bhutan's labour-scarce economy.

17. Telecommunications cover a small percentage of the population and inability to communicate between and among population centres - particularly development centres and institutions - is a major obstacle to the effective implementation of plans. A master plan for telecommunications, drafted by the International Telecommunication Union, is currently nearing finalization, which will be followed by a first implementation phase combining further technical assistance with a UNCDF grant and also, it is hoped, other grants from bilateral sources.

18. Civil aviation came late to Bhutan, the first Bhutan-registered plane flying only in 1983. The Royal Government is in the process of strengthening its own capability in this sector and is considering expansion of internal facilities. UNDP is assisting in this process through the provision of technical assistance from the International Civil Aviation Organization (ICAO) to the civil aviation authority and to the national airline, Druk Air.

19. Bhutan's population remains largely rural. In anticipation of an inevitable urban migration, town plans have been drawn up, with assistance from the United Nations Centre for Human Settlements, for a number of embryonic population clusters so that the expected growth of these clusters may proceed in a controlled and rational manner. A related project introduced housing technologies designed to improve the standard and comfort of housing while retaining the distinctive features and appeal of traditional Bhutanese architecture. Yet another project (government executed with some WHO input) has introduced improved, low-cost sanitation for housing and for schools and basic health units.

20. The hydroelectric potential of Bhutan is conservatively estimated at 20,000 MW. The first installation of any size, at Chukha, has a capacity of 336 MW. To ensure the prompt repair and maintenance of electricity generation, transmission and distribution equipment, a workshop has been set up with assistance from UNDP and the Department of Technical Co-operation for Development (DTCD) of the United Nations Secretariat. This has already saved considerable time and money by obviating the need to send equipment abroad for such servicing.

21. The Royal Government lays considerable emphasis on having a small, modern and efficient civil service. UNDP is assisting in this endeavour in several ways. Given the manpower shortages already referred to, computerization is particularly appropriate to the country's circumstances, in addition to the intrinsic advantages it offers. A computer centre has been established with UNDP/UNDTCD assistance, and in the relatively short period of four years, hardware and software were introduced, several hundred persons trained in their use, and systems installed. Moreover, a small group has been trained in the repair and maintenance of hardware, and personal computers are being assembled from imported components and marketed locally.

22. With the expansion of development activities and especially since the decision to decentralize such activities wherever possible, the auditing of accounts has assumed added importance. UNDP, through DTCD, has been assisting the Royal Audit in establishing and refining systems and in training Bhutanese audit staff. A somewhat similar project has been assisting the Central Statistical Organization at first with IPF funding and latterly with financing from SMF.

23. The Royal Government supports government execution of externally assisted projects wherever feasible and desirable. UNDP has funded a project to assist in government execution, initially financed from the IPF and subsequently from add-on funds. This project has strengthened the Royal Government's skills in negotiation and management, not only of UNDP-funded projects but also of projects funded by international financing institutions.

24. The knowledge of Bhutan's natural resources base, like its detailed mapping, is far from complete. The Royal Government decided to introduce modern mapping techniques in the Survey of Bhutan and for the past four years UNDP, through UNDTCD, has been providing assistance to the Survey, which now has the capability to produce and print high-quality maps from traditional as well as photogrammetric survey material.

25. An FAO-executed project is assisting the Royal Government in forest conservation and management. One component is the introduction of forest inventory techniques utilizing computers. This and other components, such as forest, watershed and nursery management, research and social forestry, are designed to permit the conservation and exploitation of Bhutan's forest wealth on a sustainable basis. Another project has for the past seven years been supporting the establishment and running-in of Bhutan's first, sizable timber-processing factory. The introduction of modern machinery and modern management and industrial labour practices into a traditional society has proved to be a complex and challenging task: the lessons learned extend well beyond the immediate plant. After several teething problems, the plant is now functioning viably, and UNDP assistance will terminate at the end of 1989.

26. Two further projects, both government-executed, aim at the sustainable exploitation of natural resources. Each is concerned with the development of a specific geographic area, one in Eastern Bhutan, the other in Western Bhutan. The focus is principally on increasing agricultural production and both are supported by concessional loans from the International Fund for Agricultural Development (IFAD). In both areas, farmers have already become aware of the scope for enhancing production and income through better agricultural practices and crop diversification.

27. Two projects, both FAO-executed, have been supporting UNCDF grants to the food production sector. The first is assisting the promotion of horticulture through the design and construction of auction halls and in the provision of equipment for existing processing plants. The second has provided technical assistance to a medium-scale irrigation project which is partly linked to a resettlement scheme. Both projects have been of a somewhat pioneering nature in the Bhutanese context, and are expected to have achieved their immediate objectives when completed, in 1990.

28. Each project, regardless of size, is subjected to an annual tripartite review, an arrangement which has worked well to ensure that the parties concerned are informed of the problems and progress of each project under implementation. With a few minor exceptions, projects - and hence the country programme - are on track and have attained, or are likely to attain, their objectives.

III. PROGRAMME ANALYSIS

A. Country programme implementation

29. No significant problems have been experienced in the implementation of the country programme. Recruitment delays in the case of experts and difficulties in locating qualified counterparts have been experienced in some cases but neither has been a major impediment. Similarly, equipment delivery is frequently time-consuming, mainly because of Bhutan's land-locked location, but this has seldom had a serious impact on the implementation of projects.

30. Bhutan's adherence to the New Dimensions Approach is evidenced by the fact that, of the 20 operationally ongoing IPF-funded projects, 6 are government-executed and 15 have national project managers. Experience with national project management has been positive and is routinely considered to be a possible option when new projects are being appraised.

31. As a result of reducing the number of projects and consolidating efforts around successful ongoing projects, the programme has gained in focus, in depth and, there is reason to believe, in impact.

32. The programme is being implemented with flexibility in line with the continuous programming approach supported in the approved document (DP/CP/BHU/4, para. 10). As mentioned earlier, projects, regardless of size, are subjected to tripartite review, and annual programme reviews are held. In this way, adjustments and amendments are made in response to situations as they emerge.

B. The country programme as a frame of reference

33. The Governing Council has repeatedly urged that country programmes be used as a frame of reference for other assistance programmes, especially those of other organizations of the United Nations system. On the basis of experience so far during the current cycle, it cannot be claimed that the country programme for Bhutan has been much used in that manner. As mentioned above, three projects, initially intended for IPF funding, were taken up by other donors. In two other cases, bilateral donors (Australia and the Netherlands) have virtually taken over projects with cost-sharing contributions. Further collaboration of this kind is being actively sought for selected other projects. Non-IPF funds under the responsibility of the Resident Representative have been utilized to supplement or substitute for the IPF in a few cases; for example, SMF funds for support to the Central Statistical Office and aquaculture, and "add-on" funds to support government execution. UNCDF resources have been used wherever possible to support IPF projects and vice versa. Out of seven operational UNCDF projects, six are benefiting, or have benefited, from IPF technical assistance. Similarly, two UNCDF hard pipeline projects are designed to reinforce ongoing technical assistance projects, one for warm-water fisheries and the other for telecommunications.

34. While the examples given above reveal that the country programme has attracted funding beyond the IPF, mainly from UNDP-controlled funds, the extent and the diversity of such funding has been limited.

C. The continued relevance of the country programme

35. The philosophy and the objectives of the country programme as approved have remained valid, and relevant to the situation which prevails in mid-1989. The programme was elaborated during the later years of Bhutan's fifth five-year development plan. The present sixth plan began in April 1987, just three months into UNDP's fourth programming cycle. The objectives of the sixth plan are essentially a continuation of those of the fifth plan emphasizing self-reliance,

people's participation in the development process, improvement of rural conditions, government administration, development services, and human resources development. In terms of the use of UNDP resources, referred to in the approved country programme (DP/CP/BHU/4, paras. 29 and 30), four major types of activities were specified:

1. Preparation of sectoral and sub-sectoral analyses, pre-feasibility and feasibility studies needed to develop programmes and projects to attract capital investment and additional technical assistance;

2. Removal of technical weaknesses and gaps inhibiting the more effective development of various productive sectors of the economy and the greater impact of development efforts and resources;

3. Strengthening of management capabilities, planning and delivery systems, and the institutional base for development;

4. Alleviation of acute shortages of the trained manpower required for development activities.

36. All four have been or are being taken up to a greater or lesser extent:

(a) Sectoral analyses have been or will be prepared for industry, agriculture and horticulture: pre-feasibility and feasibility studies for industry will be taken up by the industrial planner while an ITU team is preparing a master plan for telecommunications. Some of these activities are funded from United Nations funds other than the IPF funds.

(b) Removal of technical weaknesses in productive sectors has been the aim of a number of projects, e.g., survey, forest management, electrical maintenance workshop, road mechanization workshop, the Bhutan Government Transport System (BGTS) workshop, fisheries and area development schemes.

(c) Management capabilities and the institutional base for development have been strengthened through in-country management training courses, assistance to government execution, and assistance to the Central Statistical Office, the Royal Audit Authority and the Royal Civil Service Commission.

(d) Alleviation of acute shortages in the trained manpower required for development activities has been the main thrust of the country programme, to which 50 per cent of IPF resources have been allocated, principally through the HRD and UNV projects.

37. While the original country programme objectives remain relevant, the emphasis on self-reliance has been intensified in Bhutan during the past two years. In 1987 a decision was taken by the Government which affected the country's sixth five-year development plan and, in turn, to some extent the fourth country programme. The original sixth plan, endorsed by the National Assembly, was reviewed, and the outlays on new projects were reduced somewhat in favour of recurrent outlays. This was largely because the conclusion was reached that the rate of growth achieved

during the fifth plan could not be sustained without risking a collision with traditional cultural values and practices and without maintaining or increasing the number of non-nationals working in Bhutan on development projects, which was considered to be already unacceptably high. Consequently some new projects were shelved and manpower - always a major constraint - became even more of a preoccupation when proposals for assistance were being assessed. In the case of UNDP-assisted activities, it was decided to concentrate primarily on expansions and extensions of ongoing projects where manpower was known to be available, confining new projects to sectors of known high priority. In short, for the past 18 months, the emphasis in the country programme, as in the national development plan, has been on consolidation.

IV. EVALUATION

38. In view of the continued relevance of the country programme, its generally satisfactory implementation and the fact that all available IPF resources are committed, an evaluation of the programme as a whole was not considered necessary.

39. Evaluation of significant projects, whether in terms of funding or of their intrinsic nature, are undertaken as and when appropriate. During the period under review, 1986 to mid-1989, seven evaluations of IPF projects were carried out, of which two also covered UNCDF inputs.

40. A sector review of agriculture, animal husbandry and forestry is foreseen in late 1989, mainly as a preparatory step for the fifth country programme.

V. RECOMMENDATIONS OF THE MID-TERM REVIEW

41. The overall conclusion of the mid-term review is that Bhutan's fourth country programme is essentially on track and that its objectives remain relevant.

42. Two issues emerged relating to the management of the country programme during the remaining two and a half years.

43. In view of the manpower constraints faced in every sector and in line with the Royal Government's own policy of consolidating development efforts in the interest of self-reliance, it was agreed that the number of active IPF projects should be kept at a level permitting their adequate staffing and monitoring. In this context, the current number of about 20 IPF projects is considered appropriate.

44. At the time of the mid-term review, IPF resources of $25,702,000 were fully committed against available resources totalling $25,669,000. However, delivery is historically below commitments. Taking an implementation rate of 70 per cent for the years 1989, 1990 and 1991, to deliver the balance of the IPF resources, i.e. $16 million, $22.9 million of approvals will be needed. Against this latter figure, approved budgets and very firm pipeline proposals for the three years total $24.5 million. In the light of this situation, it was agreed that no further projects or extensions should be considered involving expenditure before 1992 and

that sustained efforts should be made to attract co-financing - preferably cost-sharing - to reduce the overshooting of IPF resources. At the same time, it was felt that the slight excess of likely commitments over the target was a healthy situation which should ensure the full utilization of IPF resources available for the present, the fourth cycle, without overly encumbering the resources to be made available for the next, the fifth cycle.

Annex I

FINANCIAL DATA

Thousands of dollars

List A. IPF resources available at the time of the mid-term review

1986 expenditure	4 578
carry forward from third cycle	1 313
1987-1991 IPF	21 918
75 per cent of supplementary IPF allocation	2 438
1986-1991 total resource availability	30 247

List B. Uncommitted IPF balance (as of 31 May 1989)

Carried forward from third cycle	1 313
IPF 1987-1991	21 918
75 per cent supplementary IPF allocation	2 438
Total IPF resources, 1987-1991	25 669
Approved budgets 1987-1991	25 702
Uncommitted balance	(33)

List C. Expenditures against approved projects during the period under review

1986	4 578
1987	3 221
1988	6 487
1989 estimate for first five months	2 500
Est. expenditure, 1 January 1986-31 May 1989,	16 786
of which est. expenditures during fourth IPF cycle	12 208

List D. Unexpended balance of funds committed to projects

Total IPF resources, 1987-1991	25 669
Less expenditures (estimated) to 31 May 1989	12 208
Balance (all committed to projects)	13 461

Annex II

COMPARISON OF PLANNED PROJECT LIST AGAINST ACTUAL PROJECT APPROVALS, 1987 TO MID-1989

List A. Sectors, programmes and projects included in the fourth country programme document (DP/CP/BHU/4)

Programme/sectors	Project content	Paragraph
	Strengthening Capacity for Government Execution (BHU/84/023)	34
	Introduction of Micro-computers (BHU/87/001) and (BHU/84/019)	36
	Advisory services for Statistical Services (BHU/87/017) and (BHU/84/019)	36
Land use planning a/		37
United Nations Volunteers (BHU/86/009)		39
	Strengthening of Survey of Bhutan (BHU/83/019) and (BHU/82/627)	41
Survey and exploitation of mineral resources b/		41
	Electrical and Equipment Maintenance Facility (BHU/81/019) and (BHU/89/006)	42
	Exploitation of Micro- and Mini-hydel Technology b/	42
	Maximizing Use of Electric Power a/	43
Promotion of horticulture a/		45
	Extension Training and Research b/	46
Aquaculture (BHU/87/002)		47
	Feed-mixing Plant (BHU/84/020)	47
Improving availability of dairy, meat and poultry products (BHU/81/020), (BHU/82/013) and (BHU/82/032)		47
	Assistance to Gedu Wood Manufacturing Corporation (BHU/80/014)	48

Programme/sectors	Project content	Paragraph
	Management of logging operations and planning of forest roads (BHU/83/007) and (BHU/85/003)	49
	Social forestry and training of village artisans (BHU/85/013) and (BHU/85/016)	49
Industrial feasibility studies and assessments (BHU/83/025)		51
Entrepreneurial development and guidance a/		51
	Polythene mini-plant (BHU/83/025)	52
	Bhutan Government Transport System Workshop (BHU/83/028)	53
Mechanization of road construction and maintenance (BHU/86/004), (BHU/85/005) and (BHU/86/010)		54
	Construction of suspension bridges (BHU/83/026)	55
	Construction of prefabricated bridges (BHU/84/010)	55
Co-ordinated long-term road plan b/		56
	Installation of telex facilities (BHU/84/016)	57
Development of air services (BHU/87/021)		58
	Postal services and philately (BHU/83/018)	59
Export development (BHU/82/030)		60, 62, 63
	Training of staff of Royal Monetary Authority (BHU/82/005) and (BHU/84/018)	64

Programme/sectors	Project content	Paragraph
	Urban development (BHU/84/024)	67
	Appropriate housing technology (BHU/80/002)	67
Urban development in Himalayan zone b/		68
	Training health personnel (BHU/82/006)	70
	Creation of a nursing school (BHU/82/003)	70
	Anti-rabies campaign (BHU/82/012)	70
Family health and population programme (UNFPA) (BHU/86/P01) and (BHU/87/P01)		71
	Institutional santitation (BHU/82/001)	72
	Restructuring technical education system a/	74
	Support to Sherubtse College (BHU/84/013)	76
	Workshop on human resources programme (BHU/84/026) and (BHU/85/006)	78
Meeting external and in-country training needs (BHU/87/004)		78
Establishment of a Royal Institute of Management b/		79
Promotion of science and technology b/		81
Tourism development b/		83
	Promotion of development-support communication (BHU/82/020)	85
	Support to radio broadcasting b/	86

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a/ Item under active formulation.

b/ Item not so far taken up by UNDP.

List B. Projects approved or under serious consideration which did not figure specifically in the fourth country programme document (DP/CP/BHU/4)

Project number and title		Country programme, paragraph
(BHU/82/025)	Mushroom development	46
(BHU/88/022)	Telecommunications planning	57
(BHU/89/005)	Telecommunications development a/	
(BHU/89/COI) a/	Domestic telecommunications a/	
(BHU/85/015)	Tashigang-Mongar Area development	46
(BHU/87/019)	Punakha-Wangdi area development	46
(BHU/89/001)	Accelerated food production programme	44

a/ Pipeline project.

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MID-TERM REVIEWS OF COUNTRY AND REGIONAL PROGRAMMES

Mid-term review of the fourth country programme for Brazil

Report of the Administrator

SUMMARY

The present report is submitted in accordance with Governing Council decision 89/11 of 23 February 1989, requesting the Administrator to report on a representative selection of mid-term reviews of country programmes.

INTRODUCTION

A. IPF funds committed to new projects during the period under review

1. As at January 1989, the indicative planning figure (IPF) entitlement for the fourth country programme had been increased to $17,937,000 as a result of Governing Council decision 88/31. Of this amount, $14,979,000, or 83.5 per cent of the IPF entitlement, had been budgeted against approved projects during the period under review, with $12,624,000 allocated to new projects and $2,355,000 to projects carried over from the third country programme.

B. Uncommitted IPF balances

2. At the time of the review $2,095,000 of the IPF entitlement remained to be approved. However, there is a more than sufficient pipeline of projects to ensure that available resources will be fully utilized during the present cycle. In fact, the active pipeline is $7,470,000.

C. Expenditures against approved projects during the period under review

3. Total funds budgeted for approved projects within the fourth country programme as at August 1989, including the IPF and government cost-sharing were $53,495,000. Of the IPF entitlement, $8,097,000, or 45 per cent, had been expended in the first two years of the Programme. Of the total funds, including cost-sharing, $19,223,000, or 36 per cent, was expended by the end of the same two-year period.

D. Unexpended balance of funds committed to projects

4. The unexpended balance of funds committed is $34,274,000 after allowing for expenditures in 1987 and 1988. In addition, there is indicative budgeting of $13,118,000 for pipeline projects, of which $7,747,000 is IPF entitlement and $5,371,000 is government cost-sharing.

E. Expenditures of Central Project Development Facility funds during the period under review

5. Two projects were formulated through the use of the Project Development Facility. The first project, BRA/89/001 - Optimization of the Use of National Coal - whose Project Development Facility allocation of $20,000 was spent, involved the recruitment of an international consultant to appraise a project proposal from ELETROSUL for the local development of technologies to burn high-sulphur coal while minimizing its environmental impact. A second project, for which $20,000 from the Facility has been secured, involves the Ministry of External Relations, the International Trade Centre and the United Nations Industrial Development Organization (UNIDO), in the formulation of a project to modernize and improve Brazil's commercial promotion system.

I. PROGRAMME/PROJECT DATA

A. Comparison of planned project list against actual project approvals

6. The comparison shows that nearly all projects have proceeded consistently with the original plan. Of the 57 projects included in the fourth country programme (47 new and 10 ongoing) when it was approved, only 10 have not yet started activities.

B. Projects not in original country programme

7. During the present country programme period, a large irrigation project included in the programme was divided into three separate projects: BRA/87/008 - Agrometeorology - BRA/87/005 - Social Impact of Irrigation - and BRA/86/014 - Legal Aspects of Irrigation - each with its own implementing agency. Aside from these, only three projects which have been approved were not in the original country programme although each one is consistent with the objectives of the programme. These projects are:

BRA/88/014 - Independent non-governmental organizations (NGOs) network, which has a total funding of $49,000, of which $10,000 is IPF;

BRA/87/036 - Economic Delimitation-Tourism - which has a total funding of $72,000, all of which is IPF;

BRA/88/012 - Global Economic Trends - which has a total funding of $95,000, all of which is IPF.

C. Progress in programme implementation: activities and results

8. The implementation of the fourth country programme has followed the objectives and planned direction of the approved programme very closely. The continued application by the United Nations Development Programme (UNDP) and the Government of a rigorous monitoring and evaluation process throughout the programme at the project identification, formulation and implementation stages has meant that UNDP resources have been used as planned, primarily to facilitate access to necessary external technology, rather than serve as budgetary support to recipient institutions. The bulk of UNDP funds is, therefore, being used on funding consultants and experts, training abroad for Brazilians, and equipment which is demonstrably needed and part of a technology-transfer package. In June 1989, out of the 63 projects approved within the programme, 13 had been operationally completed. During the period under review, seven projects commenced with a preparatory assistance phase. In addition to monitoring the implementation of the country programme, the UNDP field office is also active in assisting the Government in its efforts to mobilize other resources. This occurs particularly in regard to the large number of project proposals which are identified but which, primarily because of limited funding resources, cannot be accommodated within the IPF entitlement of the country programme.

9. Both NGOs and private-sector entities are becoming increasingly involved in project execution, for example, in management training for projects in the Amazon region (BRA/87/021), in the centre west of Brazil (BRA/87/004), and in rural extension work (BRA/87/010).

10. Another important dimension of the programme's international development activities is the emphasis placed by Brazil on sharing its knowledge and know-how with other developing countries. Thus it has for many years sought to include Technical Co-operation among Developing Countries (TCDC) activities within many of the country programme projects. A major example in the fourth country programme is BRA/86/001, which is providing this catalytic support in the areas of agriculture, agro-industry, energy, transport and communications, public administration and mineral research.

11. The fourth country programme also contains projects in which women are among the active participants and major beneficiaries. Thus, although IPF resources are not being used to finance projects which are specifically or exclusively for women, the women's component of the programme is fully integrated without being separately identified. For example, project BRA/87/010 on rural extension is recruiting and training both women and men to be extensionists. In project BRA/86/002 - Management Training for Primary Education Projects - women are the main beneficiaries.

12. Rigorous monitoring of ongoing projects is done jointly by the Brazilian agency for co-operation and UNDP.

II. PROGRAMME ANALYSIS

A. What are the reasons for its deviations from its original goals and targets?

13. The original goals and targets have remained unchanged. What has changed, however, during the period under review has been various economic and political parameters. The Government has taken several budgetary and organizational decisions which have led to some projects not yet starting. The government measures also include budgetary cutbacks in areas affecting the country programme projects. As a result of these decisions, it has been necessary to keep all projects under active review in order to identify, and respond where appropriate, to government decisions which might affect the validity of the programme.

B. Were the new projects in the country programme identified as planned?

14. As indicated, projects have been identified as planned.

C. What were the major problems experienced in the implementation of the programme?

15. Although the implementation of the programme in the first two years of the fourth cycle has proceeded largely as planned, there have been some problems or constraints that have had to be faced during project implementation. The first of these relates to the institutional strength of some government agencies. The large

number of institutional and personnel changes that have occurred, with associated budget cutbacks, have caused some difficulties. These cutbacks have led, for example, to over $7 million of government programme cost-sharing funds not yet materializing, although this has been more than compensated for by an increase in funds for project cost-sharing. Also, some agencies can no longer make full use of the appropriate administrative instruments, for example, to manage project funds, while elsewhere there has been a decrease in project management capacity in some government implementing agencies. This has resulted in a few ongoing projects requiring action to be taken to overcome an unforeseen decrease in the implementing agencies' institutional strength. Greater consideration will need to be given in future to an implementing agency's management capacity when deciding whether or not a project should proceed. Another problem has been the increasing difficulty of attracting high-level overseas experts with the conditions of service offered by UNDP. This has resulted in an increasing number of national experts and short-term consultants being engaged.

D. Was the country programme a useful tool for United Nations system and other donors in identifying other national assistance projects?

16. The Government carried out its own needs assessment for international technical co-operation immediately prior to the preparation of the country programme. The Government and UNDP are always on the watch to identify project opportunities not originally contemplated in the country programme. The country programme pipeline is proving a useful tool for identifying assistance projects for other donors.

E. Continued relevance of original country programme objectives

17. The country programme is being implemented during a period of considerable political and economic change in Brazil. Politically, the country has been ruled by a civilian Government elected in 1985 following a 21-year period of military rule. The civilian Government's introduction of its own priorities has resulted in various changes in official policies and administrative arrangements. Economically, Brazil has continued to be negatively affected by its very large foreign debt (currently about $120 billion), a large internal debt (the current government budget deficit is some 5 per cent of the country's gross national product); and the country has experienced high levels of inflation (currently over 1,000 per cent per annum). The Government has introduced a number of fiscal and monetary measures to address these problems.

18. Despite these significant events, the country programme, which was formulated in the context of the Government's own national development plan, has proved to be a very useful planning tool for the utilization of UNDP resources. Nearly all projects are being implemented as planned but with some changes in emphasis and minor variations which reflect evolving circumstances and events. This has necessitated efforts towards institutional strengthening and the implementation of projects at these levels.

F. Major changes identified in technical assistance needs at the national or sectoral level (e.g., as a result of the National Technical Co-operation Assessment and Programme or similar exercises, or country programme evaluation)

19. No significant changes have been identified. However, changes in circumstances and priorities have led to some shifts of emphasis in several aspects of the country programme. At the national level, with the deterioration of the capacity of the country's administrative machinery, the country programme is frequently being called upon to provide managerial support for the Government's own development projects. At the sectoral level, the increasingly global interest in environmental issues has led to an enhanced recognition of an emphasis on the environment component of country programme projects. It is the Government's view that no National Technical Co-operation Assessment and Programme is necessary in Brazil.

G. Programme adjustments in response to changes in the political or economic environment

20. In the period under review, very few major programme adjustments have been necessary. The major adjustments have been in the deferral of ten new projects. Nearly all of these projects retain their validity, but are not able to proceed for one or more of several reasons: lack of appropriate agency to house them (two projects); lack of clear policy direction and adequate funding (four projects); no longer valid as a result of changed economic circumstances within Brazil (two projects); lack of sufficient resources to ensure the results (one project). These projects may be deleted if the new Government has different development assistance priorities; one of these is due to the decentralizing nature of the new Brazilian Constitution, leading to a need for institutional strengthening at both the state and the municipal levels; another responds to the need to reorient development priorities in the face of a changed international trading environment.

H. Consistency of the country programme with World Bank sponsored structural adjustment programme

21. There are no formal structural adjustment programmes being implemented, other than the Government's own programmes, and Brazil has not been the subject of World Bank Consultative Group meetings. However, at the request of the Government, UNDP does work closely with the World Bank in the identification of projects suitable for World Bank financing, and assisting with technical support during their implementation.

I. What technical assistance modalities were planned to be used to complement the country programme and what has been the experience to date?

22. There have been significant increases in both the government execution of projects and in project cost-sharing. With the growing global concern for the environment, more projects are including environmental components. Another important element of the programme is the emphasis that Brazil places on sharing its technical assistance gains with other developing countries through its many TCDC activities.

23. The selective increase in government execution of projects, from three in 1985 to 42 in 1989, suggests a growing maturity on the part of selected government agencies enabling them to undertake the implementation of projects. This has not led to a lower participation of United Nations system agencies. In fact, most government executed projects have United Nations agencies as associated co-operating agencies, and as government cost-sharing and total programmable resources have increased and the amount of total resources executed by the United Nations agencies has also increased.

III. EVALUATION

Are any evaluations planned for specific aspects of the whole programme?

24. Further decisions involving future evaluations of projects within the fourth country programme will necessarily be guided by decisions taken by the new Brazilian Government.

IV. RECOMMENDATIONS

Is the programme on track and do its objectives continue to be relevant?

25. The mid-term reviews recommended that:

(a) The country programme be reviewed again after the new Government takes office to ensure that the remainder of the programme is consistent with the development priorities of the new administration;

(b) Sectoral analyses of selected programme elements, particularly of those related to science and technology, public administration and macro-economic stabilization, be undertaken prior to the review;

(c) The existing rigour of continuous monitoring and evaluation of ongoing projects be maintained; and that the appraisal of new projects place added emphasis on ensuring that an adequate management capacity exists in proposed project counterpart agencies; and

(d) The evaluations of large ongoing projects be increased, especially in those cases where requests for a project extension into the fifth cycle are likely to be forthcoming.

Annex I

FINANCIAL DATA

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

	Thousands of dollars	
Total resources taken into account for programming at time of approval of country programme		58 863
Resources taken into account for programming at time of mid-term review		
IPF entitlement	17 937	
Programme cost-sharing	813	
Government project cost-sharing	43 887	
Third-party cost-sharing	-	
Other sources	8 135	70 772
Net change in resources (increase)		11 909

II. USE OF RESOURCES AT TIME OF MID-TERM REVIEW

	Start of country programme (1987)	At mid-term review (1989)
	Thousands of dollars	
Committed resources	3 342	53 495
Project proposals	54 521	13 118
Unprogrammed reserve	1 000	-
Total	58 863	66 613

Annex II

DISTRIBUTION OF IPF RESOURCES BY SECTOR

	In accordance with country programme	Actual at mid-term review	Revised plan as result of mid-term review
		Percentages	
General development	29	28	25
Natural resources	18	10	16
Agriculture	15	17	13
Industry	3	7	7
Transport/communications	10	18	14
International trade	-	3	4
Population	-	-	-
Human settlements	5	1	1
Health	-	0	0
Education	4	5	4
Employment	4	5	4
Humanitarian aid	-	-	-
Social conditions	-	0	0
Culture	2	2	2
Science/technology	10	4	10
Total	100	100	100

Annex III

DISTRIBUTION OF IPF AND COST-SHARING RESOURCES BY SECTOR

	In accordance with country programme	Actual at mid-term review	Revised plan as result of mid-term review
		Percentages	
General development	19	22	16
Natural resources	7	6	26
Agriculture	12	19	12
Industry	2	2	3
Transport/communications	37	37	20
International trade	-	1	1
Population	-	-	-
Human settlements	3	2	1
Health	2	0	2
Education	5	5	3
Employment	3	2	8
Humanitarian aid	-	-	-
Social conditions	0.5	1	1.5
Culture	0.5	1	0.5
Science/technology	9	2	6
Total	100	100	100

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MID-TERM REVIEWS OF COUNTRY AND REGIONAL PROGRAMMES

Mid-term review of the country programme for Madagascar

Report of the Administrator

SUMMARY

The present report is submitted in accordance with Governing Council decision 89/11 of 23 February 1989, requesting the Administrator to report on a representative selection of mid-term reviews of country programmes.

I. THE FOURTH COUNTRY PROGRAMME FOR MADAGASCAR AND THE MID-TERM REVIEW

A. Brief outline of the country programme

1. The fourth country programme for Madagascar (1987-1991) was prepared in 1986 and approved by the Governing Council in June 1987. It concentrated the support of the United Nations Development Programme (UNDP) on:

(a) Strengthening the economic management structure, in particular the Directorate General of Planning;

(b) Increasing agricultural production and productivity;

(c) Rehabilitation and improved cost effectiveness of the industrial and handicraft production capabilities; and

(d) Inception of selected activities in the social domain designed to improve employment and the basic needs situation in general.

2. Resources available for the 1987-1991 period from the indicative planning figure (IPF) amounted to $33.902 million. This figure had increased to $45.209 million by mid-1988. The transition between the third and fourth country programmes was harmonious, with many projects started during the third country programme continuing into the fourth.

B. Organization of the mid-term review

3. The mid-term country programme review for Madagascar was a joint exercise of the Directorate General of Planning and UNDP, with the UNDP field office assuming the secretariat role. Discussions between the Directorate General of Planning and UNDP were initiated in November 1988, and were expanded to informal consultations with the technical ministries, United Nations agencies (Food and Agriculture Organization of the United Nations (FAO), International Labour Organisation (ILO), World Health Organization (WHO), United Nations Industrial Development Organization (UNIDO), the World Bank, United Nations Fund for Population Activities (UNFPA), World Food Programme (WFP) and the United Nations Children's Fund (UNICEF) and the main donors represented in Madagascar in January and February 1989. Drafting of the review working document was undertaken in March and copies were made available to UNDP Headquarters in late March for comments, then to ministries and local agency representatives in mid-April. Formal discussions with technical ministries were undertaken by the Directorate General of Planning in late April and early May, while simultaneously UNDP was ensuring the liaison with agencies and local donors.

4. The mid-term review itself took place on 17 and 18 May 1987 at a retreat and was attended by about 40 high-level government officials, and a dozen United Nations agency and main donor representatives. UNDP Headquarters was represented by the Senior Area Officer from the East Africa Division. The first day was

devoted to an analysis of the policies and modalities pursued during the first two and a half years of the programme, the second day being used to outline future directions.

II. FINANCIAL DATA

A. IPF funds committed to new projects during the period under review

5. At the time of the mid-term review, 24 new projects had been approved against the IPF funds since the beginning of the fourth country programme, in a total amount of $18,086,485, of which $17,637,205 fell into the 1987-1991 period.

B. Uncommitted IPF balances

6. A total amount of $13,227,727 out of the fourth cycle IPF was committed before 1987. With the addition of the January 1987-May 1989 commitments mentioned above and a further addition of $1,478,574 expected to result from planned budget revisions already under way at the time of the review, the total commitment at 30 June 1989 stood at $32,343,506 (71.54 per cent of the IPF funds), leaving an uncommitted balance of $12,865,494 (28.46 per cent) out of the revised IPF figure of $45,209,000.

C. Expenditures against approved projects during the period under review and unexpended balance of funds committed to projects

7. The total expenditure figure was estimated at $14,467,751, i.e., $6,278,000 for 1987 and about $8,189,751 for 1988 (best estimate available at the time of the review). With a total commitment of $32,343,506 and an expenditure figure of $14,467,751, the unexpended balance of funds committed to projects stood at $17,875,755. Two missions were financed out of Central Project Development Facility funds at a total cost of $28,000.

III. PROGRAMME/PROJECT DATA

A. Projects included in the country programme

8. The fourth country programme document (DP/CP/MAG/4) listed by short titles 24 approved projects and 17 new ones. Moreover, 9 project ideas were mentioned for which the Government intended to seek financing under the programme. Out of the 17 new projects, 13 have since been approved. Among the 4 remaining projects, one, on basin-wide river training, was about to be submitted for approval; another one on food security, was being integrated in a larger project; and of the remaining two, one, dealing with quality control of industrial products, was under formulation, and the last one, on packaging, was dropped altogether (the first on the State enterprise for boat building and repair (SEGREN).

9. Out of the nine project proposals, two have been approved and the other on renewable energy resources and a third one has been integrated in a more important project that has been approved in the mean time (fish-farming). The remaining six proposals have not had any follow-up so far.

B. Projects not included in the original country programme

10. Nine new projects have been approved that were not foreseen explicitly in the fourth programme document. However, four of these projects are the continuations of activities which were ongoing at the beginning of the programme and the five others are consistent with the priority areas of the programme (strengthening of economic management capacity, promotion of handicrafts and industry, enhancement of productive capacity).

C. Progress in programme implementation and results

11. The activities undertaken during the first two years of the fourth country programme constitute the logical continuation of the previous country programmes. Thus, among the 34 ongoing projects at the inception of the fourth country programme, one project had been started during the first country programme (1972-1976), and two during the second (1977-1981). Among the 31 remaining projects, 11 had started in 1982, 10 in 1984, 7 in 1985, and 3 in 1986. It is worthy of note that out of a total of 24 projects started since the beginning of the fourth country programme, 11 projects are extensions of activities that were ongoing during the third country programme.

12. Out of 46 projects identified and approved during the third country programme, (MAG/82/001 through MAG/86/008), 40 were ongoing in 1987, 34 in 1988; expenditures were planned for 24 in 1989, 9 in 1990 and 3 in 1991. The total expenditures for these 46 projects during the third country programme amounted to $15.2 million, and the expenditures on the 40 of these which were being extended into the fourth programme were estimated to be $19.6 million between 1987 and 1991.

13. The expenditures of $6,278,000 for 1987 represent only 14 per cent of the increased IPF for the five years of the programme ($45,209,000) but 19 per cent of the original IPF for 1987-1991 ($33,902,000), not counting the savings carried over from the previous cycle and the increases of 1988. In order to gain a better idea of the growth and consolidation of the programme in 1986 and 1987, this figure should be compared to the totals of $3,070,960 and $4,714,910 spent in 1984 and 1985 respectively. The temporary expenditure figure of $8,189,751 in 1988 represents a little more than 18 per cent of the IPF, which is an indication of the future growing pattern of IPF expenditures during the three remaining years.

IV. PROGRAMME ANALYSIS - MAJOR FINDINGS OF THE REVIEW

A. Progress in programme implementation

1. Economic management

14. Whereas individual projects were generally kept in line with their programmes, the review revealed that it was unlikely that the group of ongoing projects in the economic management sector would attain sufficient critical mass to help establish continuous flows of information, consultation and feedback between the different planning and programming entities of the various ministries and the government decision-making bodies they were supporting. This is a problem which the Government had identified as an important bottle-neck. UNDP is practically the only donor active at field level in the planning area, with the exception of one French Official Development Assistance project dealing with regional planning. This therefore had implications for the government implementation of the structural adjustment policies, and for the eventual transformation of the adjustment process into a sustainable development programme. It was found that the traditional project concept, with its relatively autonomous objectives, activities and inputs, may in some cases have contributed to increasing the isolation of the departments the project was intended to support. In any event, it was clear that most projects in this sector lacked the flexibility required to adjust rapidly to the evolving implications and repercussions of the adjustment process.

15. The Government consequently requested UNDP to focus its resources in this field on strengthening its planning, programming, and budgeting capability. It was also asked to introduce a different implementation modality which would preclude the excessive compartmentalization experienced in the structural adjustment context when the traditional project concept was used.

2. Agricultural production and productivity

16. Analysis of the projects related to the agricultural domain showed evidence of new vigour, attributable to improvements in agriculture derived from liberalization of (and increase in) producer prices, the lifting of commodity and crop state trade monopolies, and to the success of the buffer-stock policy pursued by the Government with the support, inter alia, from WFP and the United States Agency for International Development (USAID). Food self-sufficiency should be attained by 1990 and although some export commodities will continue to suffer from a congested world market (coffee, cocoa, clover) there is a strong demand for other products (pepper, shrimp, fresh fruit, crabs, lobster). A third category has good markets but the export capability remains to be consolidated (off-season fruit and vegetables, fish, tropical woods, livestock).

17. The review concluded that pragmatism should continue to prevail in the sector, in addition to the systematic injection of the environmental sustainability concept, which should become the link between UNDP's various projects in agriculture, forestry, fisheries, etc.

3. Industrial and cottage industry rehabilitation

18. Although projects in this field were proceeding in accordance with their workplans, their impact remained limited, apparently because of a constricted local market and limited investment. Despite favourable steps taken as part of the adjustment process (currency convertibility, unrestricted import of spare parts and required inputs, devaluations leading to a competitive export position on the subregional market), wage stabilization and inflation have reduced the purchasing power of salary-earners. In addition, imported textiles and some other consumer items were being dumped at unfair prices, the quality of local products remained erratic, access to credit was restricted to the larger companies and investment concessions were only moderately attractive, with the result that both local supply and local demand had decreased rather than increased, and evolving export opportunities had largely been missed so far.

19. The review concluded that UNDP's resources should be concentrated on (a) improved credit access for the informal sector and small enterprises; (b) improved quality control and promotion in food, food processing, and commodities, both for export and for internal consumption; and (c) enhanced service capability in the tourism sector.

4. Social services and employment

20. The dispersion of the projects related to this sector prevented the review from producing a satisfactory programme analysis, even though individual projects were on the whole performing well. The review concluded that UNDP resources should be concentrated on alleviation of what were perceived to be the negative consequences of the country's dire economic straits and the detrimental impact of the adjustment process on the most vulnerable social groups (farmers in regions with insufficient production sustainability. The informal sector and small salary earners in urban areas).

B. New execution modalities

21. As already noted above, the traditional project concept was found wanting not only in economic management but also in other cross-sectoral activities such as improvement of access to credit and un- and under-employment reduction, because these activities relied on the collaboration of several ministries and United Nations agencies, while the project tended to replicate and reinforce the relative isolation of the administrative unit in which it was being implemented. Since such a situation was not consistent with UNDP's mandate, the review process looked at other possible modalities and it was agreed that the master-programme approach which entails sub-contracting of individual tasks to United Nations agencies and non-governmental organizations (NGOs) in their respective areas, should not be pursued but that there should be a common funnel through which all must pass to function properly, which offered a promising alternative.

22. Although not mentioned in the report, government execution was also discussed. The Government noted that it had used this modality at the time of the second country programme, but had in recent times advised against it because the experience had not been positively conclusive in Madagascar. More specifically, it was found that in order to avoid paying taxes on imported equipment, or to avoid having local consultants pay taxes on their salaries, the Government agency concerned would usually ask the UNDP office to do the contracting and disbursement. This was compounded by the difficulty experienced by government agencies in obtaining hard currency with which to pay for services or equipment provided or purchased abroad. The UNDP office thus ended up handling almost all the financial transactions without being properly equipped to do so, and the financial reporting was often not done properly, leading to frustration on both sides.

23. As designed in 1986, most of the programme's projects relied on at least one expatriate expert who, in addition to his technical tasks, was also expected to co-ordinate project activities. The low level of remuneration of the United Nations system as perceived by candidates for assignments in Madagascar resulted in extraordinarily long recruiting delays (13.25 months) as one candidate after another withdrew, and also in a very high turnover (13.22 months on average) once candidates finally took up the assignment and found that it did not match their expectations. As these experts were required to organize the projects and commit funds for other project expenditures, the difficulties in recruitment and retention resulted in generally low disbursement levels for Madagascar.

24. It was agreed as a result of the review that increased use of expatriate short-term consultants in combination with more local NGOs, consultants, or experts, would be the most efficient way of overcoming this problem, particularly as the experience with local experts has been good. It was agreed also that greater use should be made of experts recruited through the Department of Technical Co-operation for Development of the United Nations Secretariat as this was a particularly cost-effective way to expand programme operations.

C. Economic and political circumstances

25. There had been no major changes in economic and political circumstances; instead there had been a continuous evolution towards the creation of a better macro-economic environment for productive endeavour through progressive liberalization of government controls in the context of a structural adjustment programme. Between the start of the fourth country programme and its mid-term review, agricultural produce prices had risen significantly, while at the same time Madagascar's theoretical export position had improved considerably following two important devaluations. It is expected that improvement of the macro-economic climate should continue in this direction with the Government now working on a new investment code to attract locally-owned foreign capital as well as foreign-owned capital. Within this context, the original programme objectives remain valid but need to be focused more sharply, both to avoid massive loss of opportunity because micro-economic measures (export and import modalities, business creation, ownership practices and legalities, etc.) are not yet consistent with the approved macro-economic policies. Furthermore medium- and long-term vision is required to

ensure the attainment of economic and environmental sustainability as well as social harmony beyond the structural adjustment process and after it is completed. The review concluded that the original programme objectives continued to be as valid as ever but that, because of their conceptual broadness or wide span, there was a danger of an excessive dispersion of activities within the new context. It was therefore agreed that the objectives should be focused more narrowly, as described in the following section.

D. Programme objectives

26. These may be succinctly stated as follows:

(a) In the field of economic management, the programme should focus more in future on improving horizontal flows between ministries with respect to the preparation of their sectoral and subsectoral plans and action programmes;

(b) In the domain of agricultural production and productivity increases, the programme should place greater emphasis on environmental sustainability in its field activities;

(c) With respect to the rehabilitation of cottage and small industries, the programme should focus on improving the access to credit of small- and informal-sector entrepreneurs, and help the Government further to improve the environment for private investment;

(d) For the social domain, the programme should focus on assisting the most vulnerable groups to withstand the impact of the economic crisis, the indirect results of the structural adjustment and the disruptive effects of the sharp rise in demographic growth, with an emphasis on employment and health.

E. Actions required to ensure that the programme attains its objectives

27. As already noted, the programme has not deviated significantly from its original objectives but the mid-term review helped to focus those objectives more sharply. It was therefore agreed to redefine the scope and content of the programme objectives as follows:

1. Master-programme to strengthen planning and economic management capability

28. The review recommended that UNDP consider approval of a single large-scale economic management master-programme project which would encompass all the various activities of data-gathering and processing, evaluation, co-ordination, opportunity assessment, sectoral and subsectoral planning, programming, budgeting, legal reform and internal resource mobilization, and administrative and public sector reform. Such a project should serve both technical and central ministries, under the

flexible guidance of the Ministry of Economy and Planning. The project should also help identify the various ministries' technical co-operation needs in respect of the programming of their activities, help analyse them with a view to setting up linkages so as to improve co-ordination, distribute the various tasks thus identified to the competent United Nations specialized agencies, using inter-agency agreements as a private contractor would subcontract individual tasks. a/ The project will also help the Government to study the institutional exigencies resulting from given macro-economic policy options and identify any weak links between these options and the short-term objectives which must be met in order to implement them. The programme should result in improvement both of horizontal flows between ministries and of vertical flows within the administration.

2. Environmental sustainability programme

29. The package of projects in this programme should be consistent with the environmental action plan which the Government is prepared to implement with support from a consortium of donors, and in conjunction with the tropical forestry action plan which was originally developed with the technical assistance of FAO.

3. Promotion of small private enterprises

30. An improved credit access master-programme project should be established to sustain other UNDP projects, wherever and whenever these relate to existing or potential entrepreneurs, so as to create new opportunities by combining the technical know-how of the traditional projects with the financial support of the credit master-programme project. Joint funding for this programme by UNDP and the United Nations Capital Development Fund was envisaged. It should assist, inter alia, the productive sectors, cottage and small-scale industries, housing, tourism, food-processing, agriculture and commodities. Once the modality has been tested the review was confident that the programme would enjoy support from other funding agencies, viz., USAID, the Canadian International Development Agency (CIDA) and the World Bank. Special provision was made for the training of existing or potential women entrepreneurs.

4. Social action programme

31. The effort in this field will be undertaken jointly with other agencies (UNICEF, UNFPA and WFP) and bilateral donors and take the form of a large-scale social action project which would rely principally on local NGOs as sub-contractors to carry out labour-intensive activities that would enhance production-capacity. This will help Madagascar to reduce un- and under-employment in the immediate future and stimulate productive incomes in the medium term. Health will also continue to receive strong support from UNDP, including the reduction of sexually transmitted diseases, development of low-cost medications derived from locally available plants and herbs, and improved drinking water supply.

F. Major problems faced in the implementation of the programme

32. The implementation of the fourth country programme faced no major problems. Minor problems included the expert recruitment and retention difficulties already mentioned, the inertia of the traditional project concept when confronted with non-sectoral challenges, and difficulties experienced by the Government in fielding project-level national team leaders and in freeing counterpart cash contributions, all of which have been or are being resolved.

G. Consistency of the programme and linkages with macro-economic framework

33. Madagascar has a five-year development plan which predates the country programme by one year. The national plan was thus available at the time country programme preparations were begun. It follows that the country programme was closely inspired by the plan. To illustrate this, suffice it to note that the plan's four development priorities were as follows: (a) support to planning and public administration; (b) support to production systems; (c) rehabilitation of existing infrastructure; (d) improvement of living conditions. All these were essential in order to reach the following three 1986-1990 development objectives: food self-sufficiency, increase of exports, and improved living conditions.

34. Although these objectives and priorities are fully maintained, the structural adjustment process has modified the context somewhat, leading concurrently to a sharper focusing of UNDP's programme objectives.

V. EVALUATION

35. The review yielded no indications that further evaluation would be likely to improve the process or the product.

VI. RECOMMENDATIONS

A. Proposed adjustments in the country programme

36. No adjustments of a magnitude requiring Governing Council approval were identified during the mid-term review. Only a minor focusing of objectives was deemed necessary. The fact that these sharper objectives are central to the Government's concerns today results in higher expectations from the programme. In order to match these heightened expectations it will be essential that the United Nations system's inputs should be of high quality, which requires the strengthening of the UNDP field office at the intermediate level and an improved capacity to recruit and retain high-level personnel for the projects.

B. Final remarks

37. The mid-term review has constituted a climax in the ongoing country programme review process. It has signalled important issues to higher levels of Government and to donors present in Madagascar. The results point to prospects for a new and innovative UNDP leadership role in Madagascar, as the Government and donors see it: that of leading a multidonor effort to facilitate the country's transition from structural adjustment to sustainable development.

Notes

a/ UNDP recently suggested that possible use of the services of private firms or independent institutions might also be envisaged.

Annex I

FINANCIAL SUMMARY

		Millions of dollars
I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING		
Total resources taken into account for programming at time of approval of the country programme		33.902
Resources taken into account for programming at time of mid-term review		50.000
IPF allocations	45.209	
Programme cost-sharing		
Government project cost-sharing		
Third-party cost-sharing	1.300	
Other sources (MDP/CDF)	3.500	
Net change in resources		16.098

II. USE OF RESOURCES	Start of country programme	Mid-term
Approved projects	8.700	32.400
Project proposals	16.200	23.600
Unprogrammed reserve	9.002	(6.000)
Total	33.902	50.000

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Annex II

DISTRIBUTION OF RESOURCES BY OBJECTIVES

Millions of dollars

Country programme objectives	Allocations	Actual expenditure at mid-term	Revised allocation as a result of mid-term review
Economic managt.	5.000	4.289	11.600
Environment sustain.	16.500	6.604	19.000
Private sector	6.500	4.621	14.100
Social action	4.000	4.857	11.300
Undetermined	1.600	nil	nil
	33.600	20.371	56.000

Annex III

PROGRAMMES AT MID-TERM REVIEW: LIST OF PROJECTS a/

Master-programme to strengthen planning and economic management capability

MAG/82/001	Assistance à l'établissement d'un institut de planification
MAG/82/004	Surveillance de la dette
MAG/82/010	Etudes de pré-investissement pour le développement industriel
MAG/84/013	Appui à la réforme de l'éducation
MAG/84/016	Programme de bourses multidisciplinaires
MAG/85/007	Planification du développement des télécommunications
MAG/85/008	Assistance aux services postaux
MAG/85/014	Assistance à l'administration des pêches et de l'aquaculture
MAG/86/002	Renforcement de la Direction Générale du Plan dans l'évaluation des projets
MAG/87/006	Renforcement de la Direction Générale du Plan dans l'appui à la coordination de l'aide extérieure
MAG/87/012	Information des données du commerce extérieur
MAG/87/013	Systéme permanent de statistiques agricoles
MAG/88/026	Appui à la Direction de la Planification sociale de la Direction Générale du Plan
MAG/89/001	Programme-Cadre
MAG/89/006	Enquête permanente auprès des ménages

Environmental sustainability programme

MAG/80/012	Canal des Pangalanes
MAG/82/014	Rizipisciculture
MAG/82/015	Mise en valeur des Savoka
MAG/82/016	Production de semences améliorées
MAG/84/001	Opération microhydraulique
MAG/84/002	Formation d'ingénieurs halieutes
MAG/84/007	Energies nouvelles et renouvelables
MAG/84/011	Complexe sylvo-industriel du Haut Mangoro
MAG/84/015	Quarantaine végétale
MAG/85/004	Entretien des pistes-matériaux locaux
MAG/85/006	Sériciculture
MAG/85/018	Promotion de l'utilisation des engrais
MAG/86/003	Production de semences améliorées
MAG/86/004	Formation en microhydraulique
MAG/86/005	Développement intégré Lac Itasy

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a/ The projects are given in French as they appear in the Compendium of Ongoing Projects (UNDP/Series A/No. 19, of 31 December 1988).

MAG/86/006	Factibilité aquaculture crevettes
MAG/87/001	Relance de la culture des oléagineux
MAG/87/003	Cultures de rente - café et poivre
MAG/88/005	Privatisation production d'alevins
MAG/88/006	Aquaculture des crevettes - ferme pilote
MAG/88/007	Réserve de la biosphère - écosystèmes
MAG/88/025	Energies nouvelles et renouvelables II
MAG/88/012	Viabilité des pépiniéristes privés
MAG/88/014	Ingénieurs agronomes sans terres
MAG/88/022	Préservation héritage culturel
MAG/88/032	Aménagement bassins versants
MAG/89/004	Développement de l'élevage
MAG/89/005	Education rurale

Small private enterprises promotion programme

MAG/82/005	Développement de l'artisanat
MAG/82/007	Promotion de la petite et moyenne industrie I
MAG/82/008	Appui en maintenance industrielle I
MAG/82/009	Promotion des matériaux locaux de construction
MAG/85/011	Appui à l'INPF
MAG/86/007	Promotion de la petite et moyenne industrie II
MAG/86/008	Promotion des échanges internationaux
MAG/87/004	Appui en maintenance industrielle II
MAG/87/005	Promotion de la qualité des exportations
MAG/87/009	Atelier fabrication panneaux bois (SECREN)
MAG/88/002	Formation petits entrepreneurs tourisme
MAG/88/024	Colloque sur le crédit logement
MAG/87/008	Promotion de l'industrie de l'emballage
MAG/88/029	Formation femmes entrepreneurs
MAG/89/002	Epargne-crédit pour micro et petite entreprise
MAG/89/003	Incubation de petites entreprises
MAG/89/007	Formation professionnelle niveau maîtrise
MAG/89/009	Programme formation industrie du tourisme
MAG/89/010	Etude factibilité infrastructure touristique
MAG/89/011	Etude impact environnemental et socio-économique des projets touristiques
MAG/89/013	Promotion des petits industriels du bâtiment
MAG/89/014	Education ouvrière

Social action programme

MAG/76/007	Formation du personnel d'assainissement
MAG/84/005	Systèmes de santé de base
MAG/84/014	Renforcement du Conseil National de Secours
MAG/84/017	Centre National de Recherches Pharmaceutiques
MAG/85/001	Réadaptation et réinsertion des handicapés
MAG/85/010	Travaux publics à haute intensité de main-d'oeuvre I

MAG/85/012	Initiatives de base
MAG/87/002	Eau potable en milieu rural
MAG/88/001	Travaux publics à haute intensité de main d'oeuvre II
MAG/88/009	Promotion de la qualité alimentaire
MAG/88/015	Réinsertion professionnelle
MAG/88/017	Programme de santé de base
MAG/88/027	Appui aux organisations non-gouvernementales de développement
MAG/89/008	Centre National de Recherches Pharmaceutiques II
MAG/89/015	Santé et éducation familiales

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MID-TERM REVIEW OF COUNTRY AND REGIONAL PROGRAMMES

Mid-term review of the fourth country programme to Zambia

Report of the Administrator

SUMMARY

The present report is submitted in accordance with Governing Council decision 89/11 of 23 February 1989, requesting the Administrator to report on a representative selection of mid-term reviews of country programmes.

INTRODUCTION

1. The mid-term review meeting on the Zambian fourth country programme, which took place on 20-21 June 1989 in the Ministry of Finance and the National Commission for Development Planning, was chaired by the Minister of State for the National Commission for Development Planning and was attended by officials from recipient ministries and institutions, heads of executing agencies based in Zambia, representatives of specialized and other agencies (the International Labour Organisation (ILO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Civil Aviation Organization (ICAO), the International Trade Centre (ITC), the World Meteorological Organization (WMO), the United Nations Industrial Development Organization (UNIDO), the Food and Agriculture Organization of the United Nations (FAO), the Economic Commission for Africa (ECA), the United Nations Children's Fund (UNICEF), the Department of Technical Co-operation for Development (DTCD) of the United Nations Secretariat, the senior area officer for Zambia, representing the Regional Bureau for Africa of the United Nations Development Programme (UNDP), the UNDP Resident Representative and the staff of the UNDP field office in Zambia.

2. Major issues discussed in the meeting included an assessment of the consistency of the fourth country programme with the objectives, strategies and priorities of the country as specified in the fourth National Development Plan; identification of major problems and constraints in project implementation; examination of the quality and timeliness of delivery of project inputs, and programme implementation in general; identification of issues pertaining to sustainability of the projects by the Government; and finally, recommendations made on future priorities and strategies.

3. The meeting acknowledged that the UNDP programme, as currently structured, focused directly on the priority areas of the fourth National Development Plan, namely, agriculture, economic management, human resources development and export diversification. The meeting then decided to review individual components of the programme as a prelude to an overall assessment.

I. FINANCIAL DATA

4. The country programme with an indicative planning figure (IPF) of $18,021 million was approved by the Governing Council at its thirty-fifth session, held in New York in June 1987. The programme concentrated on three priority areas selected by the Government, namely, agricultural development (30.9 per cent); economic planning and management (24 per cent) and manpower development and employment promotion (28.7 per cent). Resource distribution was as follows: $3.3 million for ongoing projects, $10.9 million for new projects; and $1.2 million for programme reserve; $2.6 million was kept as unprogrammed reserve. The actual resources taken into account for programming are to be found in annex I.

5. Supplementary allocations of $2.3 million in June 1988 gave Zambia a total IPF of $20.3 million, which enabled UNDP to respond to the emerging needs and current priorities of the Government. A pipeline of projects was developed which was designed to be in harmony with the policies and strategies of Zambia's new economic recovery programme (1987), while remaining within the priorities of the country programme. Financial data as at the mid-term review are given in annex I.

II. PROGRAMME/PROJECT DATA

6. The fourth country programme as it is currently structured has the following areas of concentration:

A. Agriculture development;

B. Economic planning and management, with emphasis on export diversification;

C. Manpower development and employment promotion;

D. Other projects/special concerns.

7. The underlying purpose of the three selected sectors mentioned above is the development of human resources for the attainment of self-reliance. The human resources development of each project is therefore heavily emphasized and a total of 15 per cent of committed resources is allocated to training. Export diversification is a relatively new field for UNDP assistance in Zambia and is a direct response to the objectives and priorities of the fourth National Development Plan. Annex II gives a picture of the distribution of resources by objectives.

A. Agriculture development

8. UNDP assistance is concentrated on the objective of attaining food self-sufficiency. Of the three projects which it is planned to implement within the framework of the country programme, two - ZAM/86/003 - Maize Research and Extension Services, and ZAM/86/004 - Post-Harvest Losses - are ongoing. The former has been expanded to include food legumes, bringing about an increase of $1 million in the project budget originally planned.

9. Some of the components of the proposed project for an early warning system and and a census of agriculture have been incorporated in project ZAM/87/002 - Strengthening Agrometeorology, executed by WMO. A new project, ZAM/88/011 - Kafue/Kariba Irrigation, has been approved, and approval of two other new projects, ZAM/88/021 - Agricultural Services in the Southern Province, and ZAM/89/002 - Enhancement of Irrigation Capacity, are under active consideration.

B. Economic planning and management

10. When the fourth country programme was conceived, the Government had just completed the first phase of an adjustment process designed to establish a policy environment conducive to economic growth and diversification. Institutional relevance and capacity, and human resources availability and ability, were

therefore identified as crucial elements for making this policy environmentally productive. These considerations led the Government and UNDP to agree on the implementation of two new projects and consideration of five ongoing projects aimed at organizational and human resources development in different areas of planning and development. These were:

ZAM/85/007 - Assistance to the Investment Policy and Research Department of the National Commission for Development Planning

ZAM/85/004 - Assistance to INDECO Project Evaluation Unit

ZAM/88/008 - Export Diversification and Promotion

ZAM/85/001 - Assistance to the National Commission for Development Planning

ZAM/86/001 - Assistance to the Government in carrying out National Technical Co-operation Assessment and Programme

ZAM/85/012 - Establishment of an Industrial Planning Unit in the Ministry of Commerce and Industry

ZAM/86/009 - Assistance in Development Planning to the Transport Planning Unit in the Ministry of Power, Transport and Communications.

11. The above projects are all operational with the exception of ZAM/85/012, for which the main phase is under approval. These and the additional projects that fall within the sector of economic planning and management and export promotion and diversification are listed in annex III. Four of them, ZAM/88/004 - Export Diversification and Promotion, ZAM/88/003 - Assistance to the Export and Import Bank, ZAM/87/003 - Foreign Exchange Management, and ZAM/88/034 - International Trade Development, are directly related to export promotion and diversification.

C. Manpower development and employment promotion

12. In the country programme itself this sector included one ongoing and five new projects. Of the new projects, two have been merged with ZAM/86/007 - Upgrading Science Teaching and Local Production of Science Equipment. The projects ZAM/82/018 - Promotion of Self-Employment and Employment of School Leavers - and ZAM/86/011 - Strengthening Manpower Planning and Research at the National Commission for Development Planning - are being successfully implemented.

13. Other ongoing projects which fall within this sector are: ZAM/85/010 - Youth and the Domestic Development Service, ZAM/86/002 - Workers' Participation in Management Pilot Scheme, ZAM/88/024 - Integrated Women's Programme in Kasama, as well as the two recently approved projects, ZAM/88/033 - Establishment of a Hotel and Tourism Training Center, and ZAM/89/003 - Assistance to the Copperbelt University.

D. Other projects

14. A number of projects which do not exactly fall within the sectoral priorities for the fourth country programme have been approved and are operational. Some of these were approved as a direct result of common concerns shared by the Government and UNDP, such as women in development (WID) and non-governmental organizations (NGOs). This is the case, for example, of project ZAM/86/013 - Integration of Women in Water Supply and Sanitation Activity within the framework of the International Decade for Water Supply and Sanitation Development, and project ZAM/87/008 - Development of WID Projects, which contributed to the preparation of a special chapter on women in development for the fourth National Development Plan and project ZAM/87/005 - Upgrading of NGOs in project execution.

15. Other projects were approved upon specific request from the Government in order to alleviate some of the hardships associated with the economic restructuring programme. ZAM/88/007 - Low Income Housing - has been approved to promote the use of local and low-cost materials in housing construction, and project ZAM/88/014 - Assistance to the University Teaching Hospital - has also been approved to contribute to the improvement of that hospital's capacity to deliver better health services through the computerization of the filing system for hospital patient records and through the provision of medical personnel (United Nations Volunteers) and additional equipment.

16. Two other projects were approved to support the development of the country's industrial base: project ZAM/88/027 - Diversification and Expansion of Pharmaceuticals Manufacturing, and ZAM/88/025 - Preparatory Assistance for the establishment of a Pilot Sponge Iron Plant.

17. Finally two other projects were approved to complement capital inputs envisaged to be provided by other donors. These are: ICAO-executed project ZAM/87/006 - Assistance to Civil Aviation - which is progressing very satisfactorily; and UNESCO-executed project ZAM/88/019 - Radio and TV Development - for which the feasibility study has been completed. The final report should appear shortly. A complete list of projects is given in annex III.

18. The performance of the country programme is premised on two crucial factors, i.e., (a) the absorptive capacity of the Government to deal with overall official development assistance, including that provided by UNDP, i.e., IPF, regional programmes/projects, multi-bi arrangements, etc.; and (b) the United Nations executing agencies' own capacity to deliver project inputs in a timely manner and to provide quality services to the recipients, the institutions and departments of the Government.

19. In Zambia's case the implementation of most of the projects has just started this year, 1989, i.e., with most of the chief technical advisors and project personnel arriving in the country from November/December 1988 onwards.

20. However, in spite of the late start of some of the projects, both UNDP and the Government are satisfied that the programme is on stream, and concerted efforts should now be made by the Government, UNDP and the executing agencies to deal with the constraints which are hindering the successful implementation of the projects.

III. PROGRAMME ANALYSIS

21. Any analysis of the objectives and performance of the fourth country programme in Zambia after two and a half years of implementation should be closely linked to the developments in the economy itself, starting from May 1987, when the Government suspended implementation of the International Monetary Fund/World Bank restructuring programme and introduced its own new economic recovery programme with the theme "Growth from own resources". This programme took concrete shape in the interim National Development Plan (July 1987-December 1988), launched in August 1987.

22. The objectives and strategies of the fourth country programme were therefore reviewed by UNDP in consultation with the Government, in order to ensure that the programme remained consistent with the interim National Development Plan framework, which placed emphasis on agricultural development, economic planning and manpower development and employment promotion.

23. At the end of the interim Plan period, i.e., December 1988, and with the subsequent introduction of the fourth National Development Plan (1989-1994), the fourth country programme was again reviewed with the Government to ensure that its objectives remained aligned to the priorities and special concerns which have appeared in the National Development Plan for the first time, i.e., women in development, non-governmental organizations (NGOs) and private sector development, with the assistance of UNDP.

24. One of the issues highlighted in the meeting was the problem of counterpart support from the Government, especially counterpart personnel and recurrent costs/funding. This is particularly relevant when one takes into account the fact that the conceptual framework of the fourth country programme is the development of human resources for the attainment of self-reliance. The programme has therefore concentrated on the development of skills, the transfer of technology, and training. The problem arises when:

(a) There are no counterpart personnel to take over from the experts who can continue to implement the projects at the end of the external funding period and when the experts' contracts expire;

(b) Counterparts are trained under the auspices of the projects, and the Government is unable to retain them after completion of their training because of the uncompetitive conditions of service;

(c) No recurrent costs, which are supposed to be the Government's contribution to the project expenditures, are budgeted for in the Government's annual budget prepared at the Ministry of Finance.

25. The reality of this situation and the fact that it does not facilitate institution-building was extensively discussed in the meeting and recognition of the need for direct government support as an interim measure was recommended, taking into account the fact that the Zambian Public Service is under severe constraints in terms of high-calibre manpower and that there is a continuous drain

of most of the skilled civil servants to the private sector, where remuneration is considerably higher.

26. The geographical location of Zambia has led to delays in the delivery of project inputs due to transportation difficulties between Dar-es-Salaam and Lusaka. Most of the equipment tends to be stored in the port of Dar-es-Salaam for months. In a number of projects, it has been observed that the necessary equipment arrived long after the expert was fielded, thereby affecting the overall activities of the project.

27. Since this is a recurrent national problem/phenomenon and is not peculiar to UNDP-supported projects alone, the meeting recognized the need for executing agencies to budget properly in terms of timing and financial implications, i.e., to order equipment well in advance and also to budget for air-freighting as much of the project equipment as possible.

28. Executing agencies' capacity to deliver has varied, particularly in reference to preparation of project documents. Another problem is the delays in the recruitment of experts for the projects by executing agencies in spite of the fact that the Government in Zambia clears experts/consultants fairly quickly. The two major difficulties in the recruitment of experts in Zambia are the "hardship" situation and the relatively low level of salary in the United Nations relative to the high cost of living in Zambia.

IV. CONCLUSIONS AND RECOMMENDATIONS OF THE MID-TERM REVIEW

29. In view of the particular economic situation of the country, and specifically the Government's policy not to expand the civil service, and in view of the fact that the constraints related to lack of counterpart staff in government employment was likely to continue for some years to come, it was agreed that in the short term, national professionals should be recruited initially for projects so as to permit them to understudy the international experts; these national professionals should eventually be reabsorbed or phased back into government work when such projects are terminated.

30. Regarding the Government's inability to provide counterpart funds for recurrent costs, it was agreed that in the future the recipient institutions/departments and ministries would ensure that they include the envisaged financial counterpart requirements in their budgetary submissions to the Ministry of Finance prior to the signing of the project documents.

31. The Government was also requested to redouble its efforts to meet the counterpart requirements of individual projects and to provide the necessary budgetary allocations specified in project documents.

32. Executing agencies were encouraged to take the land-locked position of Zambia seriously into account and to reflect it in their work plans, delivery dates and arrangements for the procurement of equipment, which should be set well in advance and if possible as soon as a project is approved and signed.

33. Joint reviews were advocated, particularly at the sectoral level of projects, in order to ensure complementary action and to take into account interrelationships between projects belonging to the same sector, especially if they are executed by the same agency.

34. It was also recommended that periodic programme reviews should be held jointly between the joint consultative group on policy organizations in future, especially since their activities at country level are complementary.

35. The meeting felt that the integration of women in development projects and programmes should be of concern to every United Nations agency and should be a prominent feature on their agendas. In this regard, reference was made to UNDP's co-operation in the drafting of the women in development chapter of the fourth National Development Plan.

36. With respect to the utilization of national NGOs the meeting recommended that efforts should be made to identify grassroots NGOs, especially those located outside Lusaka, through which assistance can be channelled particularly to the rural communities. In this respect agencies should consider technical assistance to the NGOs themselves to increase their capacity to perform their tasks.

37. The meeting encouraged the Government to assume a greater role as executing agency for some of the UNDP-funded projects. It was further recommended that mechanisms should be sought to enhance the Government's capacity to execute UNDP-funded projects.

38. Recognizing the need to build solid pipeline projects for the rest of the current cycle and for the fifth cycle, the Government and the executing agencies were urged to continue submitting pipeline projects to UNDP for consideration, to be funded as and when additional funds became available.

39. The meeting recommended that, in the light of the above, UNDP should promptly approve the following important projects:

ZAM/88/015 - Support to 1990 Population and Housing Census

ZAM/88/021 - Strengthening Technical Support for the Agricultural Extensions Service of the Department of Agriculture, Southern Province

ZAM/89/007 - Industrial Planning Unit

ZAM/88/017 - Manpower Planning and Information in the Civil Service

ZAM/88/005 - Prevention and Control of AIDS in Zambia

ZAM/88/032 - Deforestation and Development of Forest Industries

ZAM/89/002 - Enhancement of Irrigation Capacity.

40. It was further recommended that UNDP should make budgetary provision to extend Project ZAM/85/007 - Assistance to the Investment Policy and Research Department of the National Commission for Development Planning - and increase the consultancy component of project ZAM/85/001 - Strengthening the National Commission for Development Planning in Data Collection and Analysis - in order to provide high-level consultancy services to the Government on matters relating to the implementation of its economic recovery programme.

Annex I

FINANCIAL DATA

	Millions of dollars
I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING	
Total resources taken into account for programming at time of approval of country programme	18.0
Resources taken into account for programming at time of mid-term review	20.3
IPF allocations	20.3
Programme cost-sharing	-
Government project cost-sharing	-
Third-party cost-sharing	-
Other sources	-
Net change in resources (increase)	2.3
II. USE OF RESOURCES	
IPF	20.309
IPF funds committed to projects during period under review (1987-1991)	19.925
Uncommitted IPF balances	.384
Expenditures against approved projects during period under review (1987-1988)	5.030
Unexpended balance of funds committed to projects	14.895
	19.925

Annex II

DISTRIBUTION OF RESOURCES BY OBJECTIVES

Country programme objectives	Allocations in country programmes	Allocations at mid-term review	Actual expenditure at mid-term a/	Revised allocation as a result of mid-term review b/
	(Millions of dollars and percentages)			
1. Agriculture	5.6 (30.9%)	5.2 (26%)	1.6 (32%)	5.4 (26%)
2. Support to planning and management	4.3 (24.0%)	7.2 (36%)	1.7 (34%)	7.4 (37%)
3. Manpower development and employment promotion	5.2 (28.7%)	5.0 (25%)	1.2 (24%)	4.9 (24%)
4. Other sectors	.3 (1.9%)	2.5 (13%)	0.5 (10%)	2.6 (13%)
5. Unprogrammed reserve	2.6 (14.5%)			
Total	18.0 (100%)	19.9 (100%)	5.0 (100%)	20.3 (100%)

a/ As at 31 December 1988.

b/ As at 1 September 1989.

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Annex III

LIST OF APPROVED PROJECTS

Agriculture development

ZAM/86/003	Maize Research and Extension Services
ZAM/86/004	Post-Harvest Losses
ZAM/88/011	Kafue/Kariba Irrigation
ZAM/88/021	Agrometeorology

Economic Planning and Management

ZAM/85/007	Assistance to the Investment Policy and Research Department of the National Commission for Development Planning
ZAM/85/004	Assistance to the INDECO Project Evaluation Unit
ZAM/88/008	Export Diversification and Promotion
ZAM/85/001	Assistance to the National Commission for Development Planning
ZAM/86/001	Assistance to the Government of Zambia in carrying out National Technical Co-operation Assessment and Programme (from third country programme)
ZAM/85/012	Establishment of an Industrial Planning Unit in the Ministry of Commerce and Industry
ZAM/86/009	Assistance in Development Planning to the Transport Planning Unit in the Ministry of Power, Transport and Communication
ZAM/85/009	Registration and Control of External Debt
ZAM/87/003	Assistance to the Bank of Zambia in Foreign Exchange Management
ZAM/87/009	Strengthening of Hydrological Services
ZAM/88/003	Assistance to the Export and Import Bank
ZAM/88/006	Energy Conservation and Management
ZAM/88/009	Zambia Bureau of Standards
ZAM/88/010	Assistance of the Economic and Finance Division of Cabinet Office
ZAM/88/026	Investment Promotion Tour
ZAM/88/028	Zambia Industrial and Mining Corporation Technology Audit
ZAM/88/029	Assistance to Prices and Incomes Commission
ZAM/88/004	Export Diversification and Promotion
ZAM/88/034	International Trade Development

Manpower Development and Employment Promotion

ZAM/82/018	Assistance to Small Industries Development Organization
ZAM/86/007	Upgrading Science Teaching and Local Production of Science Equipment
ZAM/86/006	Promotion of Self-Employment and Employment of School Leavers
ZAM/86/010	Support to Development of Small Industries
ZAM/86/011	Manpower Planning at National Commission for Development Planning
ZAM/85/010	Youth and the Domestic Development Services
ZAM/86/002	Workers' Participation in Management Pilot Scheme
ZAM/88/024	Integrated Women's Programme in Kasama
ZAM/88/033	Establishment of a Hotel and Tourism Training Centre
ZAM/89/003	Assistance to the Copperbelt University

Others/Special concerns

ZAM/86/013	Integration of Women in Water Supply and Sanitation Activity
ZAM/87/007	Support to the Development of Women in Development Projects
ZAM/88/007	Low Income Housing
ZAM/88/014	Assistance to the University Teaching Hospital
ZAM/88/027	Diversification and Expansion of Pharmaceuticals Manufacturing
ZAM/88/019	Radio and TV Development
ZAM/87/006	Assistance to Civil Aviation
ZAM/88/025	Sponge and Iron Plant
ZAM/87/005	Upgrading of NGOs in Project Execution